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ABSTRACT

Recent interactions between the state government (and to a lesser extent the federal government) and public higher education in Wisconsin are examined, and some of the major issues and actions from 1965 to the present are reviewed in order to identify imbalances that could jeopardize a "health tension" between the two sectors. Some of the elements of the tension that remain unresolved at the end of the 1970's are: state appropriations and public expectations, government intervention and scrutiny, federal attitudes toward higher education as reflected in student aid policy and programs, productivity in the face of declining resources, the role of collective bargaining, reappropriation of federal funds (applying state priorities to federal appropriations), and enrollment declines. Some positive changes have occurred that could help to restore a more agreeable balance in the higher education-state relationship in Wisconsin. First, public universities seem to be more united than in the last two decades. Second, the growth of federal student aid funds has stimulated a common interest in student aid in the private and public sectors. Third, it seems unlikely that conditions like those in the early 1970's that put higher education institutions in the midst of political controversy will occur again. It is concluded that the way academics perceive their roles may be the most important determinant of higher education in the future, and the perceptions that emerge will have important implications for relationships with government. Appended are data on: (1) University of Wisconsin (UW) system tuition charges from 1960 to 1978; (2) 1975-76 state public and private school enrollments by grade (grades 4-12); and (3) sources of funds for the UW system between 1968-69 and 1978-79. (MSE)

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CONFLICT, ACCOUNTABILITY AND THE WISCONSIN IDEA: RELATIONS BETWEEN GOVERNMENT AND HIGHER EDUCATION IN WISCONSIN 1965 TO 1978

Jacob O. Stampen

Prepared for the Sloan Commission on Government
and Higher Education

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I. INTRODUCTION

During the last decade the state and federal government's relationship to higher education has changed greatly, with volumes being written on this subject and many public pronouncements made. The discussants are generally of two types: 1) the representatives of government and others who express concern about the high cost and questionable accountability of higher education, and 2) the educators and their supporters who are concerned about the intrusion of government into higher education policymaking. The general public seems to stand outside of this debate; the related policy issues tend to be eigher too technical or confusingly intertwined with many broad and complex issues, such as the health of the economy and the extensive array of problems relating to the future security of the citizenry. The result is the issue is not widely popular and neither discussant enjoys high public esteem. As one observer put it, "the anti-legislative, anti-government bureaucracy feeling in this country may be as strong as the anti-higher education feeling. In any case, the two groups share a common problem -- explaining what their efforts accomplish..."[1]

This paper focuses on recent interactions between the state government (and to a lesser extent the Federal Government) and public higher education in Wisconsin and reviews some of the major issues and actions during a period that spans 1965 to the present. By chronicling what has happened in Wisconsin, it is hoped that any imbalances that could jeopardize what has been termed a "healthy tension" between the state and higher education will be identified. When discussing changes that have created tensions in state-higher education relationships attempts are made to differentiate between those that are transitory and those that seem more enduring and capable of leading to unhealthy imbalances.

Between 1965 and the present there were several major changes in public higher education's political environment. First, the attitude of state government toward public higher education changed abruptly from highly supportive during the 1960's to highly critical during the last years of the Vietnam War. Second, the national and state economies changed from being vibrantly healthy during the 1960's to being plagued by recession and high inflation during the 1970's. Third, the growth and expansion of public higher education which seemed necessary in order to create opportunities for the post-World War II baby boom legacy in the 1960's, seemed less needed in the 1970's when the end of the baby boom came into sight.

Beyond this, there were changes in the participants and structures of state government and public higher education. In 1970, Wisconsin became a one-party state under the control of Democratic governors and legislators. This resulted in basic but not unprecedented reevaluation of public higher education's political priority in the state.

Other basic changes included the growth of state government and the professionalization of the legislature. Between 1965 and the present, state government nearly doubled in size and legislators became full-time state employees with respectable salaries and personal staffs. In the process of one-party gaining political dominance the professional "manager legislator," normally a young person with a background in education instead of law, possessing a license to shape public policy and a desire to specialize, gained possession of most of the legislature's leadership positions. These people were inclined to compete with the executive branch for assurance that the state's publicly supported institutions conformed with the mandates of government, and public higher education's efforts to prove accountability increasingly seemed caught in a crossfire between the two.

The political environment was also changed by the emergence of the Federal Government as both a partner of and competitor with state government in higher education policymaking. The Federal Government's interests in public higher education were broad, multifaceted, and in some cases contradictory. As Chester Finn has convincingly documented, there is no federal policy for higher education;[2] however, in areas such as student aid, where the Federal Government has adopted a definite approach for expanding student access and choice, state government responded by implementing what it perceived to be "national policy." This resulted in the creation of the State Higher Education Aids Board which in the process of its rapid growth and broadened responsibility to guarantee student access to both public and private institutions, raised questions about who was responsible for providing postsecondary educational opportunity: the state's public institutions or the federally initiated state agency? The Federal Government was also the source of a myriad of regulations and requirements that had an impact on both state government and higher education. In the process of dealing with the larger federal presence both parties found the environment changed and former interrelationships altered. Once again public higher education often seemed caught in a crossfire of demands for accountability.

Within public higher education there were two major changes. First, all the state's public higher education institutions were merged into the University of Wisconsin system under a single Board of Regents. This created many difficult-to-resolve questions relating to academic planning and institutional management and the respective roles of the system's central administration and the individual institutions. The second change was the emergence of organized faculty demands for collective bargaining. This development challenged existing relationships between public higher education, regents, administrators, faculties and students.

These examples isolate some of the major environmental factors that resulted in unique changes in state higher education relationships. By identifying imbalances in that relationship assessment of these factors may provide useful insights for understanding current problems in Wisconsin and elsewhere.

Study Approach

Resources for this study were wide ranging and included current literature on relations between the state and higher education; policy and analytical papers prepared by institutions, systems, state agencies and the legislative branches of government; published and unpublished studies on postsecondary education in Wisconsin; and interviews with key participants in recent events related to higher education in Wisconsin. The author's previous research and experience as a participant-observer in the Wisconsin higher education policy process also shapes the analysis. Previous research includes a study entitled "A Factor Analysis of Voting Behavior in the Wisconsin Legislature 1945 to 1967."[3] The author's experience as a policy analyst for the central administrations of the University of Wisconsin and the subsequent University of Wisconsin System during the years immediately preceding and following the merger is also drawn upon. Recent interviews and materials and subsequent reading and experience have added new insights.

Scope and Limitations

This study is a historical overview of the changing relationships between the state and public higher education in Wisconsin since 1965 in light of Wisconsin's tradition, sometimes referred to as the University of Wisconsin's "Wisconsin Idea:" The historically close partnership between the purposes of public higher education and the state in making democracy work.

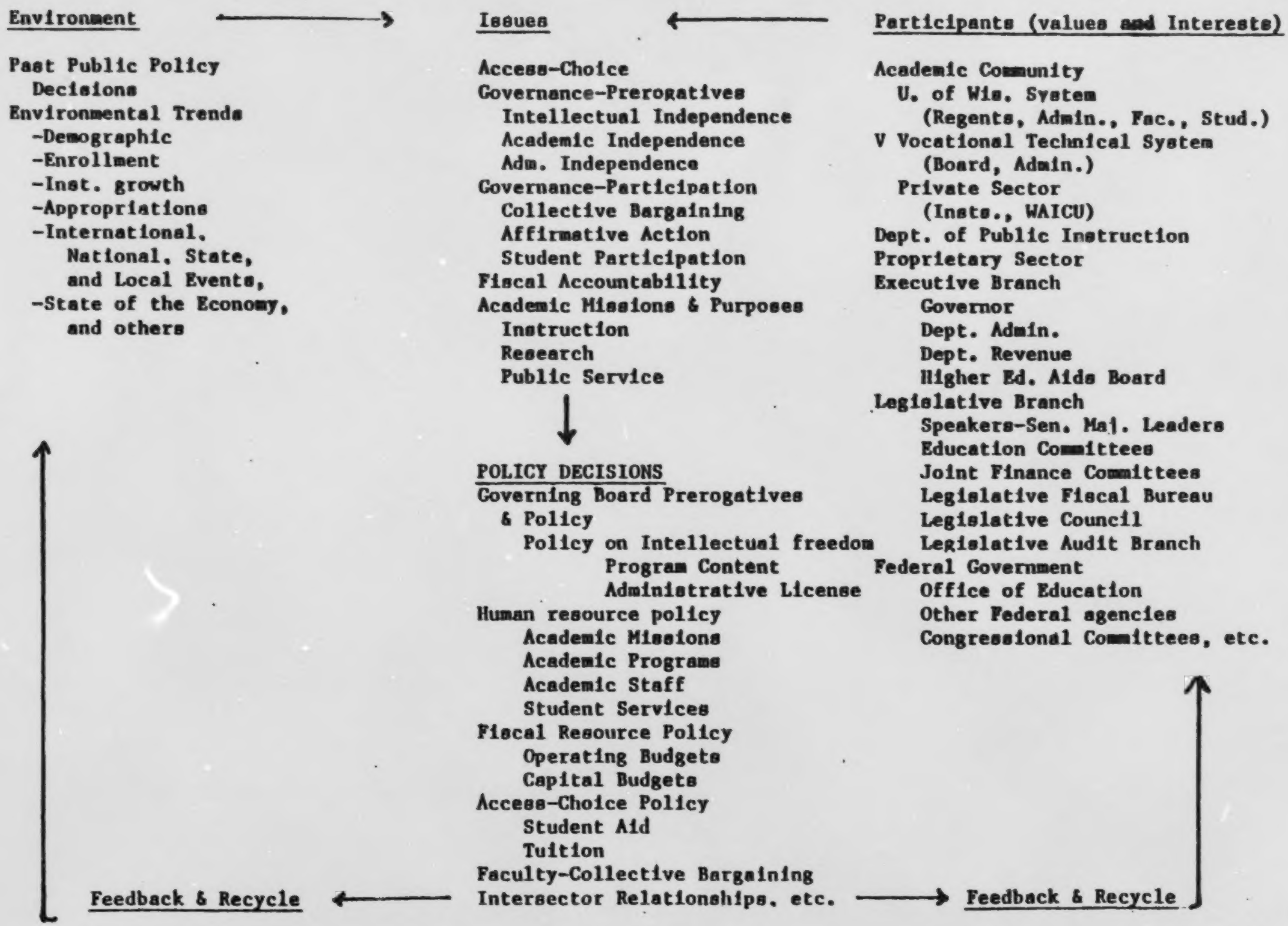
Table I provides a map of what might be included in a comprehensive study of all major issues affecting higher education-state government relations. This analysis will focus on only the major events and describe in general terms the environment, participants, and policy decisions bearing on the issues of governance and student financing. This limitation emphasizes the "governance prerogatives" and "access issues of choice" appearing in Table I. Attention will also be given to the issues of fiscal accountability and academic missions, since they are closely related to governance, and, to a lesser extent, collective bargaining.

The analysis will also be limited largely to relationships between public higher education and state government. In Wisconsin, public higher education is, and has been during this century, the predominant state resource for higher learning, as well as the focus of most interaction between higher education and state government. By comparison, the private sector is small and did not expand rapidly during the 1960's. As a result, it is not a highly visible participant in the state-higher education policy process. The private sector is, however, more prominent as a factor in the relationship between public higher education and state government because of the national trend toward student financing. This aspect will be discussed in some detail.

The most serious limitation on this study is the two-month time period in which the study had to be completed. Given this constraint and the interrelatedness of many recent developments affecting public higher education, it was felt that a general overview of the policy formulation process might add a central perspective to the development of a wide range of higher education issues.

To assess the impact of political change in higher education, it is necessary to have some benchmarks with which to compare past and present

ISSUE MAP RELATIONSHIPS BETWEEN GOVERNMENT AND HIGHER EDUCATION



Environment →

- Past Public Policy Decisions
- Environmental Trends
  - -Demographic
  - -Enrollment
  - -Inst. growth
  - -Appropriations
  - -International, National, State, and Local Events,
  - -State of the Economy, and others

Issues ←

- Access-Choice
- Governance-Prerogatives
  - Intellectual Independence
  - Academic Independence
  - Adm. Independence
- Governance-Participation
  - Collective Bargaining
  - Affirmative Action
  - Student Participation
- Fiscal Accountability
- Academic Missions & Purposes
  - Instruction
  - Research
  - Public Service

↓

POLICY DECISIONS

- Governing Board Prerogatives & Policy
  - Policy on Intellectual freedom
    - Program Content
    - Administrative License
- Human resource policy
  - Academic Missions
  - Academic Programs
  - Academic Staff
  - Student Services
- Fiscal Resource Policy
  - Operating Budgets
  - Capital Budgets
- Access-Choice Policy
  - Student Aid
  - Tuition
- Faculty-Collective Bargaining
- Intersector Relationships, etc.

Participants (values and Interests)

- Academic Community
  - U. of Wis. System
    - (Regents, Admin., Fac., Stud.)
- V Vocational Technical System
    - (Board, Admin.)
  - Private Sector
    - (Insts., WAICU)
- Dept. of Public Instruction
- Proprietary Sector
- Executive Branch
  - Governor
  - Dept. Admin.
  - Dept. Revenue
  - Higher Ed. Aids Board
- Legislative Branch
  - Speakers-Sen. Maj. Leaders
  - Education Committees
  - Joint Finance Committees
  - Legislative Fiscal Bureau
  - Legislative Council
  - Legislative Audit Branch
- Federal Government
  - Office of Education
  - Other Federal agencies
  - Congressional Committees, etc.

Feedback & Recycle ← Intersector Relationships, etc. → **Feedback & Recycle**

Source of model: Eugene Craven and Jacob Stampen, Politics and the Superintendent: A Systems Map, monograph, Teacher's College Columbia University, 1 April 1972.

conditions. Robert O. Berdahl describes a useful set in "Secondary and Postsecondary Education: The Politics of Accomodation," a chapter in a recently published book, The Changing Politics of Education: Prospects for the 1980's.[4] Berdahl charts the history of government's "self-denying ordinance," which refers to patterns of government involvement in higher education governance. He lists the powers that have traditionally been given to college trustees but which have been withheld from other publicly-supported enterprises, and describes recent changes in the "ordinance" (e.g., the escalation of controls). A particularly useful set of concepts are three categories of institutional autonomy: intellectual independence (academic freedom), administrative independence (procedural autonomy, the "how" of academy), and academic independence (substantive autonomy, the "what" of academy).

Berdahl also describes the "federal-state interface" and post-secondary education. Here he describes the changing pattern from direct federal-institutional collaboration to federal-state collaboration and calls for an assessment of gains and losses resulting from two common types of relationships, "messy pluralism" and "systematized relationships."

Berdahl's trends and categories will not always be clearly visible in the discussion but they contribute in a substantial way to the analysis.

The following paper has six sections in addition to the introduction, section I. Section II identifies and briefly describes the growth and development of Wisconsin's public and private higher education institutions and related state agencies since 1965. Section III describes changes in detail in the state's political leadership during the 1960's and 1970's and examines the reemergence of single-party control over state government. Section IV describes the major demands for accountability to state government directed at the University of Wisconsin System by the Democratic administrations.

following the merger. Section V provides a historical perspective on relationships between state government and public higher education, with particular emphasis on the dominance of the Wisconsin Idea in this century until the merger. Section VI discusses interactions among the University of Wisconsin System central administration, the state's public and private institutions, state and federal governments, and the University of Wisconsin System's Faculty groups with respect to eight issues: institutional autonomy, collective bargaining, 1202 commissions, government regulation, tuition, student aid and private institutions, and state appropriations. Section VII summarizes Wisconsin's state government-higher education trends during the past decade and identifies several existing and potential imbalances in that relationship.

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II. HIGHER EDUCATION: INSTITUTIONS OF WISCONSIN SINCE 1965

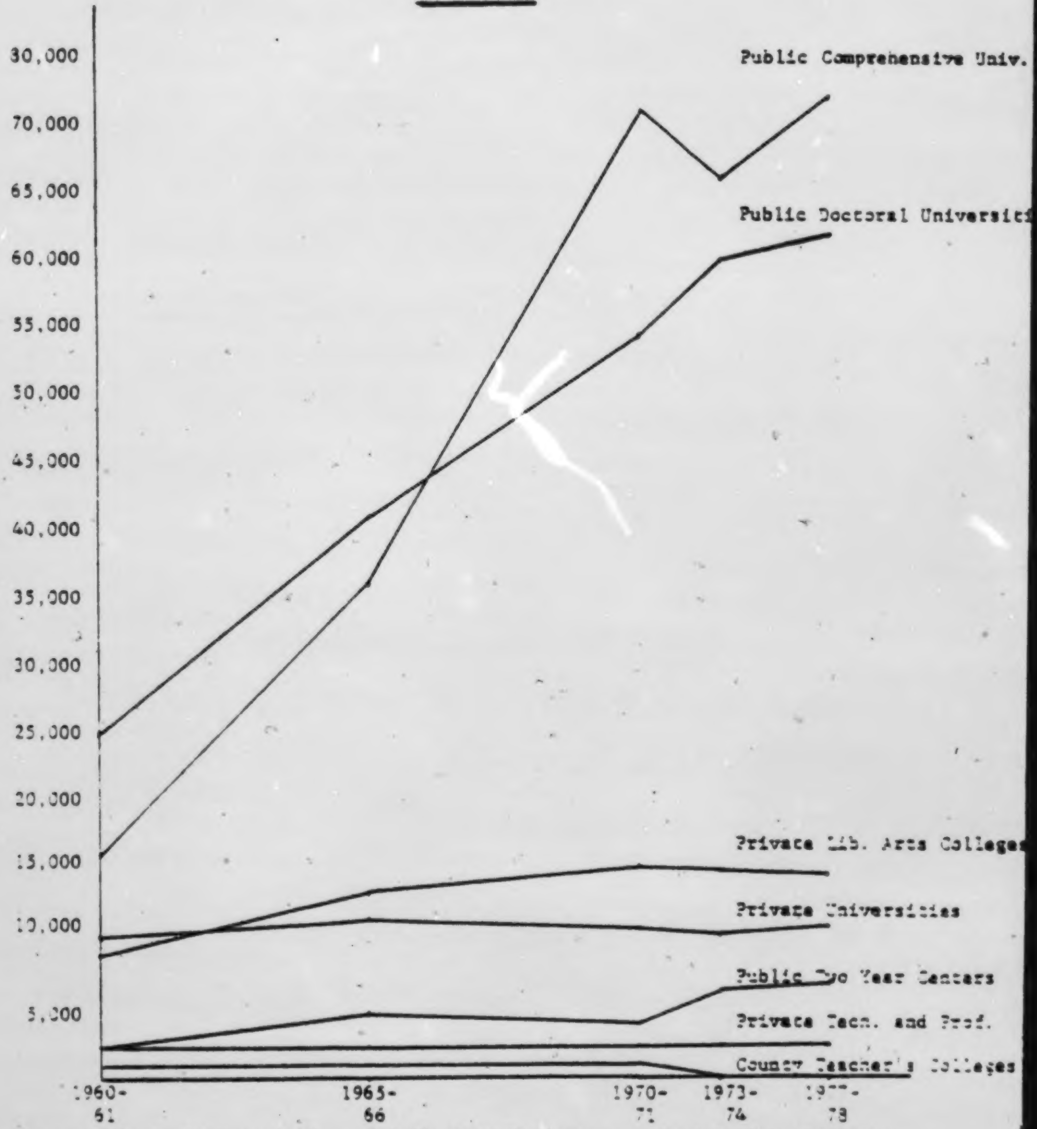
As a result of the "baby boom" of the late 1940's and early 1950's with the resultant demands for expanded access to higher educational opportunity in the 1960's, enrollments soared in the public sector, as old institutions expanded and new institutions were built. Between 1960 and 1965 both the public and private sectors grew, although the public sector grew at a much faster rate. Patterns of institutions' growth are illustrated in Figure 1. After 1965 private sector growth reached a plateau that continues to the present, while the public sector continued to grow rapidly. In 1965 higher education in Wisconsin consisted of a public sector enrolling 96,233 students and a private sector enrolling 35,153 students. The public higher education sector consisted of two university systems, the University of Wisconsin and the Wisconsin State University, and a network of county teachers colleges, and the Vocational Technical and Adult Education System. The latter is excluded from this study.

The University of Wisconsin was composed of the Madison campus (enrolling 29,743) and a Milwaukee campus (enrolling 12,818); a state-wide University Extension, which employed one or more full-time representatives in each of the state's seventy-two counties; and a network of eleven, federally and county built, two-year liberal arts colleges (enrolling 5,267). The Wisconsin State University System was composed of nine institutions elevated by the state from college to university status in 1967. Three of these universities had two-year branch campuses. The combined enrollment of the Wisconsin State University System was 38,592.

In addition to the two university systems, there existed a network of twenty, two-year county teacher's colleges enrolling 1,465 students.

Figure 1

ENROLLMENT TRENDS
BY INSTITUTIONAL TYPE
1960-1977



Source: Wisconsin Association of Collegiate Registrars and Admissions Officers. Opening Fall Enrollment in Wisconsin Institutions of Higher Education, First Semester 1960-61, 1965-66, 1970-71, 1973-74, 1977-78.

Wisconsin did not develop a network of community colleges; however, beginning in 1911 the state did develop a system of vocational, technical, and adult education institutions that in 1965 included sixty-four public schools enrolling 144,252 students. State law and tradition have maintained distinctly different missions for vocational-technical and higher education institutions.

By the end of 1977 all public higher education except the vocational education system became part of the University of Wisconsin System. Components of the system were: two Ph.D. granting institutions (Madison and Milwaukee), eleven state universities (the nine universities existing in 1965 plus two new schools begun in 1967 at Green Bay and Parkside), a system of fourteen two-year liberal arts center campuses (the UW Center System), and a free-standing University Extension responsible for non degree-granting instruction, academic public service, and outreach. The county teacher's colleges were closed in the early 1970's. Combined enrollments in University of Wisconsin System institutions reached 146,264 by 1977-78.

In 1965 Wisconsin's private sector consisted of two universities, Lawrence enrolling 1,276 students and Marquette enrolling 10,513; nineteen liberal arts colleges (enrolling 15,674); four degree-granting technical and professional colleges (enrolling 2,204), twelve theological seminaries (enrolling 1,236), and three nonprofit junior colleges (enrolling 1,239). Between 1965 and 1977 Wisconsin's private higher education sector changed relatively little. Overall enrollments declined slightly from 32,153 in 1965-66 to 30,946 in 1977-78. Lawrence and Marquette remained the state's only private universities and their absolute and relative sizes were little changed from the earlier decade. The number of private liberal arts colleges remained the same. The number of theological seminaries declined from twelve to four, with one private junior college remaining. In 1965 enrollments in the private sector accounted for 25 percent of the total state collegiate enrollment. By 1977 this proportion had declined to 17 percent.[2]

Table II provides an overview of the total Wisconsin public and private higher education network. The state recognizes thirty-one private, nonprofit institutions eligible for participation in state student-grant programs. The table shows that all institutions except Marquette are quite small. Nearly all of the private four-year institutions are liberal arts colleges with low student-teacher ratios.

A history of the development of private higher education in Wisconsin is shown in chronological listing by founding date. Six non-sectarian or Protestant institutions were established before the end of the Civil War. Since 1880, most of the private four-year institutions were created by various Roman Catholic groups. Most of these are clustered in and around Milwaukee or located in other predominantly Catholic communities. Six four-year institutions and one private medical school, formerly associated with Marquette, have been established since 1960.

During the 1970's the state recognized four hospitals, two Lutheran two-year institutions, and the Patricia Stevens Career Academy as private nonprofit institutions for state tuition-grant purposes.

Typically, the state's public higher education institutions, except the University of Wisconsin-Madison (1848) and UW-Stout, were founded as normal schools during the nineteenth century, but emerged in 1967 as universities. A network of public two-year colleges, with liberal arts curriculums, was established in the 1960's, as a result of the merger that took place in 1971. University Extension, originally founded in 1891 as part of UW-Madison, was established as a free-standing institution responsible for planning and coordinating the outreach activities of the system's member institutions.

Compared to the state's private higher education sector, the public institutions are much larger and offer a wider variety of academic and

TABLE IIA

INDEPENDENT COLLEGES AND UNIVERSITIES OF WISCONSIN

As Defined by Eligibility to Participate in Wisconsin Tuition Grant Program

Institution[1]	Type[2]	Founded[2]	Enrollment		Location[2]	Act Score (Av)[2]	Student-Teacher Ratio[2]	State Resident Undergrads Enrolled (%)[1]	Religious Affiliation[2]
			Total[3]	Undergrad[1]					
ilton College	LA-4	1844	409	411	Milton	19	14:1	63:0	Indep.
eloit College	LA-4	1846	1222	1198	Beloit	25	14:1	15:8	Indep.
arroll College	LA-4	1846	1257	1155	Waukesha	23	12:1	72:1	Presby.
awrence U.	U-G	1847	1320	1274	Appleton	27	11:1	40.5	Indep.
ipon	LA-4	1851	944	954	Ripon	25	12:1	41.4	Indep.
akeland	LA-4	1866	540	457	Lakeland	21	15:1	80.5	UCC
arquette U.	U-G	1881	10466	6433	Milwaukee	23	18:1	53.9	RC
orthland	LA-4	1892	742	692	Ashland	21	15:1	36.3	UCC
t. Norbert	LA-4	1898	1519	1526	DePere	23	NI	53.3	RC
ilwaukee School of Engineering	Eng-G	1903	2244	1141	Milwaukee	22	14:1	74.0	Indep.
ount Mary	LA-4	1913	1125	766	Milwaukee	19	10:1	85.6	RC
dgewood	LA-4	1927	545	466	Madison	18	10:1	65.0	RC
iterbo	LA-4	1931	925	822	LaCrosse	22	10:1	84.8	RC
ilver Lake	LA-4	1935	345	261	Manitowoc	19	9:1	94.6	RC
iverno	LA-4	1936	857	533	Milwaukee	20	8:1	92.4	RC
arian	LA-4	1936	517	453	Ford du Lac	23	19:1	91.6	RC
ardinal Strich	LA-4	1960	1121	462	Milwaukee	19	12:1	92.2	RC
arthage	LA-4	1962	1628	1181	Kenosha	23	15:1	46.0	Lutheran
ount Scenario	LA-4	1962	280	239	Lakysmith	17	10:1	82.0	Indep.
oly Redoemir	LA-4	1965	60	46	Waterford	21	NI	17.3	RC
t. Francis De Sales	LA-4	1970	103	96	Milwaukee	NI	NI	47.9	RC

Institution[1]	Type[2]	Founded[2]	Enrollment		Location[2]	Act Score (Av)[2]	Student-Teacher Ratio[2]	State Resident Undergrads Enrolled (%)[1]	Religious Affiliation[2]
			Total[3]	Undergrad[1]					
Wisconsin College Conservatory	Music-GC	1968	161	120	Milwaukee			93.3	Indep.
Wisconsin Lutheran	Theol-2		174	25				84.0	Lutheran
Concordia	JR.C-2	1881	476	366	Milwaukee			90.9	Lutheran
Patricia Stevens				290				50.0	Indep.
Wisconsin Hospitals-4	Nurs-4			1554				99.5	
TOTAL	29		29980	22921				61.6	

OTHER PRIVATE COLLEGES

Institution	Type	Founded	Total	Undergrad	Location	Act Score (Av)	Student-Teacher Ratio	State Resident Undergrads Enrolled (%)	Religious Affiliation
Institute of Paper Chemistry	Prof-G	1929	103		Appleton				Indep.
Medical College	Med-G	1969	588		Milwaukee				Indep.

Sources of Data:

1. State of Wisconsin. Higher Educational Aids Board, Activity Report 1976-77 Academic Year.
2. Barron's Profiles of American Colleges. Tenth Edition. (Woodbury, New York 1976).
3. Roman S. Gawkoski, Marquette University, The Twenty-Fourth Annual Report of Opening Fall Enrollment in Wisconsin Institutions of Higher Education: First Semester 1977-78. (Wisconsin Association of Collegiate Registrars and Admissions Officers). Figures cited are 1976 enrollments.

Abreviations

LA-4 = Liberal Arts - 4 year
U-G = Undergraduate Level
Theol-2 = Theological Seminary - 2 year
Eng-G = Engineering-Graduate Level
JR-C-2 = Junior College - 4 year
Nurs-4 = Nursing - 4 year

CAR-1 = Career - 1 year
Prof G = Professional Graduate Level
Med-G = Medical Graduate Level

ACT = American College Testing Service average score

TABLE IIB

UNIVERSITY OF WISCONSIN SYSTEM INSTITUTIONS

nstitution[1]	Type	Founded	1977 Enrollment		Location	ACT Score (Av)[2]	Student-Teacher Ratio[2]	State Resident Undergrads Enrolled (%)[1]
			Total[1]	Undergrad[1]				
Eau Claire	CU	1916	10,344	9,109	Eau Claire	22	21:1	92.8
Green Bay	CU	1968	3,642	3,023	Green Bay	-	-	91.0
La Crosse	CU	1906	8,554	6,897	La Crosse	22	18:1	86.1
Madison	DU	1848	38,945	23,326	Madison	24	16:1	82.5
Milwaukee	DU	1885	24,281	19,408	Milwaukee	23	20:1	97.5
Oshkosh	CU	1871	10,007	7,978	Oshkosh	-	17:1	96.2
Parkside	CU	1868	5,182	5,015	Parkside	-	20:1	96.8
Platteville	CU	1866	4,607	3,900	Platteville	22	18:1	89.4
River Falls	CU	1874	5,019	2,877	River Falls	-	20:1	62.8
Stevens Point	CU	1894	8,880	7,418	Stevens Point	-	18:1	89.4
Stout	CU	1893	6,963	4,140	Meremince	-	14:1	71.0
Superior	CU	1893	2,418	1,390	Superior	-	22:1	69.0
Whitewater	CU	1868	9,589	6,894	Whitewater	-	23:1	90.0
Center System	LA-2(11)	1960's	8,599	8,333	14 Locations	-	-	96.9
Extension	NT	1891	NA	NA	72 Locations	-	-	-

urces of Data:

1. University of Wisconsin System, Student Statistics Fall 1977
2. Barron's Profiles of American Colleges, Tenth Edition (Woodbury, N. Y. 1976)

bbreviations

CU = Comprehensive University - 4 year
NT = Nontraditional
LA-2 = Liberal Arts - 2 year (11 institutions)

professional programs. The academic capabilities of students enrolled in these institutions are roughly similar to those enrolled in the private colleges, although the student-teacher ratio is somewhat higher in the public institutions. In general, the state's public and private institutions have capabilities and pursue missions that do not substantially overlap.

Other components of the Wisconsin higher education network in 1965 included the Coordinating Committee for Higher Education (CCHE) and the Higher Education Aids Board (HEAB). Their histories are briefly reviewed.

CCHE

A Coordinating Committee for Higher Education (CCHE) was created in 1955 to "direct and coordinate the activities of the University of Wisconsin and the state universities with activities for vocational, technical and adult education." The committee's scope included activities of the county teachers colleges. The CCHE mission was strengthened by decree. Originally, only four committee members out of nineteen were appointed: "the new law also changed the committee from an agency with the responsibility to coordinate existing activities to one which has the power to direct all planning for public higher education in Wisconsin."[3] However, by 1971 the CCHE was abolished and its functions were transferred to the newly merged University of Wisconsin System.

HEAB

In 1963 the Wisconsin legislature, responding to the passage of the Federal Higher Education Facilities Act of 1963, also created a State Committee for Academic Facilities to provide construction grants to both public and private institutions. Immediately after passage of the Higher Education Act of 1965, the Wisconsin legislature added a major new function for the commission, on the recommendation of a study conducted by the Governor's Scholarship and Loan Committee: Namely, to make grants to needy students attending post high school educational institutions in Wisconsin, particularly students attending private higher education institutions. A stated retionale for the action was that granting scholarships to students attending private institutions would "take the pressure off the public institutions."[4]

In recognition of this expanded mission, the Commission for Academic Facilities was given a new name, the State Commission for Higher Education Aids. Fifteen commission members, appointed by the governor, constituted the board for the new agency. The Aids Commission budget for 1965-67 was $199,100. The agency was charged with disbursing funds from two student aid programs and Title I of the Federal Higher Education Facilities Act of 1963. Disbursements under the two student aid programs during the 1965-67 biennium were $2.4 million for needy students attending accredited, nonprofit public and private institutions charging tuitions greater than $200 per semester, and $1.7 million for Wisconsin high school students with outstanding scholastic records.[5]

By 1976-77, HEAB administered 73,046 grants totaling $31,825,520. In addition in 1976-77 HEAB coordinated the distribution of 18,296 federally guaranteed loans totaling $24,735,505. In sum, HEAB was responsible for the disbursement of 91,342 awards to approximately 43,000 students totaling $56,561,025.[6]

Between 1965 and 1973-74, student-aid programs administered by HEAB grew from one to nine and then declined to six through program consolidations. The two largest in 1976-77 were the Wisconsin Tuition Grant program,[7] which provided $6,673,992 in need-based grants to students attending private institutions in the state, and the Wisconsin Higher Education Grant Program, which provided $11,684,334 to students attending public and private nonprofit institutions. Wisconsin's student grant programs and most of the loan programs distributed aid purely on the basis of need. In addition, HEAB assisted students applying for federal student aid programs through the use of the Wisconsin Financial Aid Form (FAF) adopted in 1976. The form was modeled on the Keppel Commission "common-form" design to simplify application for state, federal, and in some cases institutional student aid. HEAB also developed the Wisconsin Student Support Information System (WISSIS), which monitors disbursements of federal, state, and institutional student aid programs and participates actively in national deliberations on future student-aid policy.

III. RETURN TO ONE PARTY POLITICS: THE RISE OF THE NEW DEMOCRATIC MAJORITY

Wisconsin has traditionally been a one-party state. In spite of the fact that its citizenry are descended from several ethnic and religious cultures, and that some of the larger groups (Germans, Scandinavians, and East Europeans) influence public attitudes to this day, an overriding homogeniety has evolved in state politics. Except for Milwaukee and a few of the largest cities in the south and southeast, there has been little change in character of the population since the immigration period, which occurred throughout the latter half of the nineteenth century and into the early twentieth. Thus, Wisconsinites share much common heritage. Political and cultural stability is reflected in the fact that in four of the state's five political factions (three Democrat and two Republican), the overwhelming majority of legislators were born in the legislative districts they represent.[1] Only the liberal faction of the Democratic party, composed largely of highly educated professional people residing in the state's large cities, has produced a high proportion of legislators born outside Wisconsin.

In Wisconsin politics, the pattern is for political parties to take turns capturing broad public mandates (i.e., periods of general political consensus). Stalwart Republicans, largely of New England "Yankee" extraction, ruled the state until 1910; Progressive Republicans and Progressive party members ruled between 1910 and 1940; and Republicans were largely in control between 1940 and the mid-1960's. Between periods of one-party rule, and sometimes briefly during such periods, there have been short-lived periods of two party conflict. Wisconsin's most recent political transition developed gradually during the late 1950's and early 1960's and then rapidly in the late 1960's and early 1970's. Since the early 1970's, the government has been controlled by Democrats. Table III shows the growth of Democratic party strength in the Wisconsin legislature.

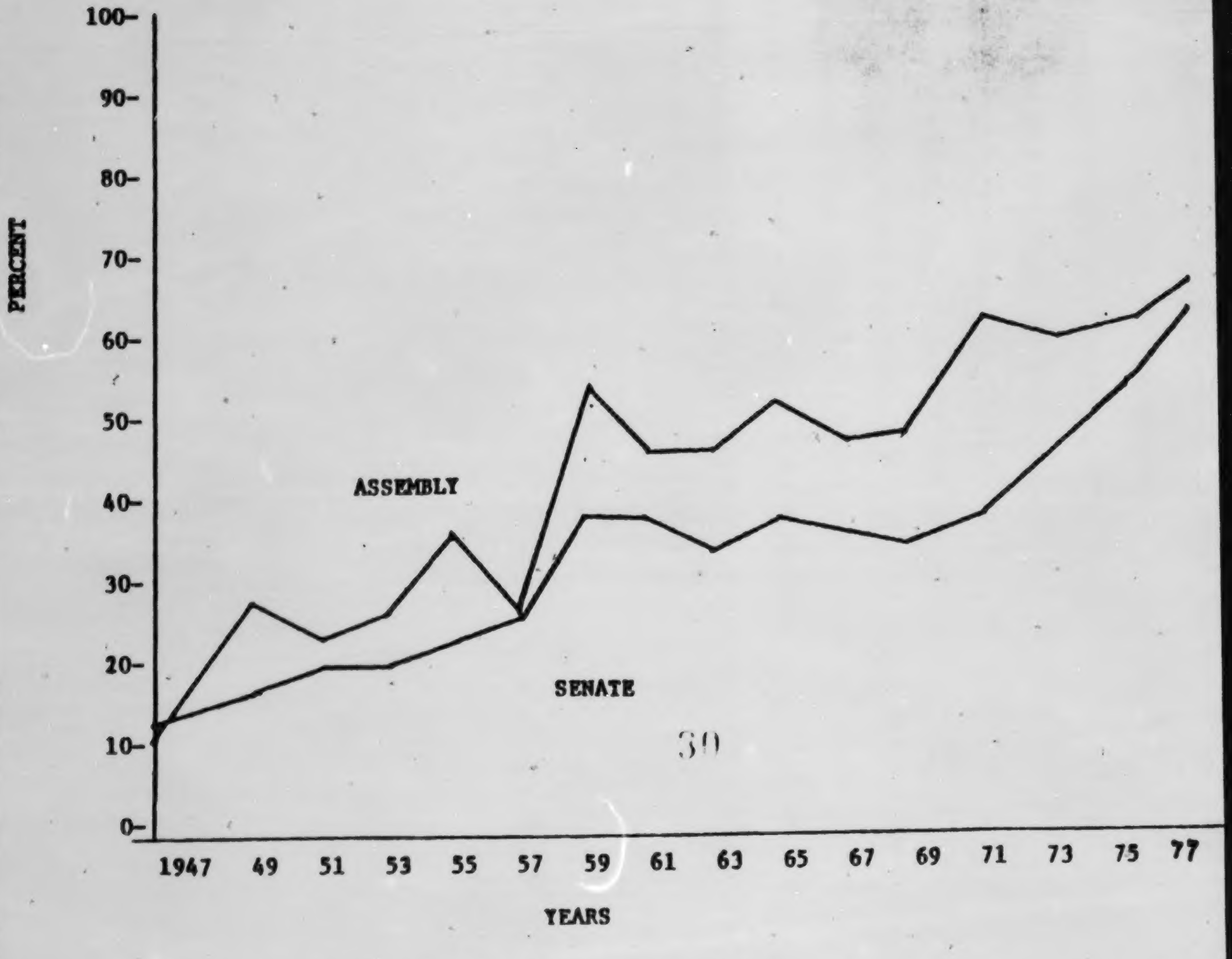
The critical issue that seems to propel the Democrats into majority control centered on increased services from state government. Democrats, a political minority since the 1940's, became spokesmen for a wide variety of aspiring groups advocating more services to state residents in areas such as education, preservation of the environment, and public welfare. This corresponded with the population drift toward urban areas. Many citizens became convinced that rural standards of self-reliance could no longer be maintained without increased government involvement. This perhaps more than anything else accounted for the rise of the Democratic party in Wisconsin.[2]

The 1960's transition was characterized by increasing conflict. During this decade, the Republicans controlled both houses of the legislature. Voters also elected two Democratic governors and the margin of Republican control in the legislature narrowed. As a result, the legislature became the primary arena of issue initiation and accomodation as Republicans had to compromise with Democrats. This also corresponded with a split in the Republican party. Republican intra-party friction reached a peak in the 1969 legislative session when the Republican-controlled assembly rejected the Republican governor's budget. At that time, anti-Vietnam demonstrations and the proportion of state resources allocated to higher education were prominent issues before the legislature. Republicans and several key Democrats, representing the metropolitan (i.e., Milwaukee and southeast Wisconsin) and rural factions of the party, became increasingly disgruntled with public higher education and its high cost to the state.

The election of 1970 resulted in a Democrat, Patrick J. Lucey, capturing the state's first four-year gubernatorial term, and Democrats in the Assembly gaining a two-to-one majority over the Republicans. In the senate, Democrats gained more than one-third of the membership for the first time since 1935.

FIGURE 2

DEMOCRATIC SEATS IN THE WISCONSIN STATE SENATE AND ASSEMBLY
1947 - 1977



Source: Wisconsin Blue Books

Before becoming governor, Patrick Lucey was one of the chief architects of the successful Democratic party of 1970. The restructuring of the party actually began shortly after the Korean War, when a liberal Republican faction, which included Gaylord Nelson, split away and joined the Democratic party. Patrick Lucey became one of the new party's leaders. His early task was to reorganize Wisconsin's county Democratic parties, an effort that netted him with enduring political support from all corners of the state.

The main theme of the Democratic party's growth in popularity was the expansion of government services. Lucey did not depart from this theme in his 1970 election campaign; although he spoke seriously about government efficiency, cost cutting, and even suggested a public higher education merger, these themes seemed secondary to the traditional Democratic party appeal.[3]

After the election, Governor-elect Lucey spoke explicitly of the need to cut government costs and to provide a better climate for business investment. By so doing he took advantage of a rare opportunity to coopt the base of Republican support and possibly lengthen the tenure of his own party. Table IV shows the results of the election of 1970, where the Democrats displaced the Republicans in the state's political mainstream and new values and interests gained the force of law. However, upon attaining office, the newly established Democrats became dependent on Governor Lucey's political expertise and leadership. The precipitous victory brought in many inexperienced legislators who were not familiar with the major trends and issues in public policy. In 1973, 55 percent of the assembly members had two years or less seniority; the comparable figure in the Senate was 40 percent.

Acquisition of knowledge was further hampered by the limited development of expertise among the legislative support staff. Although the size of the legislative staff had grown dramatically, along with other kinds of government expenditures during the 1960's, legislative staff efforts were

TABLE III
THE WISCONSIN LEGISLATURE BY PARTY AND FACTION 1969-1971

	1969			1971			% Change By Total
Faction	Senate	Assembly	Total	Senate	Assembly	Total	1969-71
Conservative Rep.	12	33	45	10	30	40	-12.5
Moderate Rep.	10	20	30	10	4	14	-53.3
Total Rep.	22	53	75	20	34	54	-28.0
Liberal Dem	5	10	15	6	20	26	+73.3
Metropolitan Dem.	6	15	21	7	16	23	+ 8.5
Outstate Dem	0	22	22	0	30	30	+36.4
Total Dem.	11	47	58	13	66	79	+36.2
GRAND TOTAL	33	100	133	33	100	133	

Source: Jacob O. Stampen, results of unpublished factor analysis, Madison, Wisconsin 1972.

haphazard. The legislature was served by a Legislative Fiscal Bureau set up to prepare fiscal notes on new legislation; but this body had a very small staff that was characterized by high turnover; and it was to a large extent dependent on the executive branch's Department of Administration. The legislature was also served by the Legislative Council whose purpose it was to do research on broad policy issues and then recommend legislation. This body was an outgrowth of the University of Wisconsin's "Wisconsin Idea" and included among its members expert laymen, UW professors, and influential legislators. The track record of this group was quite good, but Governor Lucey's own agenda overshadowed the Council during the 1971-73 session.

Governor Lucey's influence was also strengthened by a "management movement" among government agencies that had been initiated by earlier Democratic and Republican governors. First, the executive branch of government had been strengthened through a series of consolidations that reduced the number of state agencies and thus facilitated gubernatorial control over them. The process began during the term of Governor Gaylord Nelson, when the state maintained 150 separate commissions, departments, and boards. In 1959, Nelson's strategy for coordinating these agencies was to create the State Department of Administration. This agency consolidated state budgeting, personnel, purchasing, and accounting under one department and carried out broad, statutory authority for the coordination and improvement of services provided to state agencies.[4]

Second, in 1965 Republican Governor Warren Knowles created the Kellett Committee on Government Reorganization. This committee successfully engineered the consolidation of the state's then eighty-four independent units into three constitutional offices, and fourteen departments which were headed for the most part by secretaries serving at the pleasure of the governor. Another implemented recommendation of the Kellett Commission was to lengthen the governor's term of office from two to four years.[5] Thus, Patrick Lucey, as Wisconsin's first four-year governor, inherited a greater measure of authority over the machinery of state government than any of his predecessors.[6] If any major policy initiatives were to emerge from the legislature, Governor Lucey was likely to be the initiator.

Because of Governor Lucey's preeminent position in state politics during his six-year tenure, and because he was without question the major force in shaping the course of the state's higher education network in the 1970's, it is instructive to describe the man in some detail. Patrick J. Lucey was a hard-working, pragmatic, self-made man whose two main interests in life were politics and business. He was also a self-styled populist with a UW degree in philosophy. Born and raised in rural Protestant and Republican southwestern Wisconsin in 1918, Lucey was an Irish Catholic son of a grocer in Ferryville, Wisconsin. At age 19 he left St. Thomas College in St. Paul, Minnesota to operate a second family grocery store in Bloomington, Wisconsin. In 1941, three months before Pearl Harbor, Lucey joined the Army as a private; he was discharged in 1945 with the rank of captain. After returning to Wisconsin, he completed his bachelor's degree in philosophy and then went to work managing fourteen farms his father had obtained during the depression. In 1948, at age 30, Lucey was elected to the state assembly from Crawford County. In 1950, he ran for Congress in the Third Congressional District but was defeated by a Republican supported by Senator Joseph McCarthy. In 1952, Lucey moved to Madison, opened a real estate office, and, in addition to operating his business, became a full-time organizer of the state Democratic party. In 1957, he ran William Proxmire's successful U. S. Senate campaign against former Republican governor Walter J. Kohler. In that same year, Lucey Realty became one of the largest real-estate firms in the Madison area and Patrick Lucey was elected Chairman of the State Democratic

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Party of Wisconsin. In 1964, he was elected Lieutenant Governor under Republican Governor Warren Knowles and tried unsuccessfully to unseat Knowles in 1966. Lucey began making preparations for his 1970 governor's race shortly thereafter.

In the course of his political career until 1970, Patrick Lucey became intimately familiar with the state's citizenry, state government, state institutions (particularly higher education institutions) and state public-policy issues. He also developed an impressive record of accomplishment. Yet Patrick Lucey was not personally popular. An expert investor, he seemed to sense market changes before others and acted on his perceptions as soon as they emerged. Largely under his leadership, the base of Democratic party strength shifted from Milwaukee to Madison, and from there spread its influence across the state. But the Madison area's Democratic organization, dominated by academic liberals associated with the University, favored the Nelson wing of the party and tended to value Lucey more as an organization man than as an architect of public policy. Lucey's statewide electoral success was unimpressive until 1970, when he faced a very conservative Republican leading an ideologically split party.

Once Patrick Lucey was elected governor, his organizational skills could be applied. He also obtained a clear opportunity to advance his own ideology and test his own public policy theories.

Soon after his election, Governor Lucey began to delineate his plans for Wisconsin and its higher education institutions. In his first budget message he observed that there was a difference of $516 million between the biennial budget request of $2,370 million from all state supported agencies and the anticipated biennial revenue of $1,854 million. This, according to Lucey, called for the "most stringent paring of agency requests in recent history." He also stated his "knowledge that the citizens of our state who once insisted upon expansion of public services are now moved more by a sense of discontent about the way in which those services are being delivered."[8] As a result Lucey outlined in his budget message, and in subsequent messages and speeches, a strategy for increasing the efficiency and effectiveness of state services. Key themes in this plan were a reorganization of state priorities, the organization of a cabinet form of state government, property tax relief, and merger of the University of Wisconsin and Wisconsin State Universities.

IV. UNIVERSITY OF WISCONSIN SYSTEM: OLD MANDATE-NEW MANAGEMENT

In June 1970, candidate Lucey had suggested that a single board of regents with a small staff be created to govern all of the state's public higher education institutions, the purpose of which would be to "permit efficiency, functional specialization, elimination of duplication, educational innovation and experimentation in university governance."[1] The speech was almost totally ignored. When the idea resurfaced in the governor's first budget address, there was a genuine sense of surprise and in some cases shock among the state's higher education leaders.

A bill merging the University of Wisconsin and the Wisconsin State University system passed both houses of the legislature on October 8, 1971, at the very end of Governor Lucey's first biennial budget session. There were many factors favoring the merger: (1) the Democratic landslide victory of 1970; (2) the governor's influence over the majority of the Democratic legislators; (3) a tightening economy and projected budget deficits; (4) sympathy on the part of moderate Republicans in the Senate for the general idea of the merger (Republican Raymond Heinzen introduced a bill in the Senate almost identical to the governor's before he was able to); (5) the lack of coordinated opposition to the merger within the University of Wisconsin, caused partially by the fact that John Weaver was appointed by an all-Republican Board of Regents on the day preceding the Democratic landslide victory; (6) support for the idea of merger by WSU faculty and key WSU administrators' organizations, despite opposition to merger by the WSU's all-Republican Board of Regents; (7) the divided condition of the Republican party; (8) delayed mobilization of efforts to oppose the merger on the part of the UW faculty; (9) support for merger by the state's powerful Department of Administration; (10) the general lack of concern over the merger issue on the part of the general public; and (11) William Kellett's support for the merger.[2]

In spite of all the factors supporting merger, the bill finally passed the state senate by only one vote on October 5, 1971. The UW Regents had voted unanimously to oppose the merger, as did a majority of the WSU Regents. UW-Madison's prestigious University Committee lobbied against the bill and Oddy Fish, former State Republican party chairman, worked to unite the Republican majority in the state senate against the bill.

The bill that passed favored the UW model of higher education governance, in accordance with Governor Lucey's wishes; however, passage of the merger "did not make merger permanent." The legislation provided for final action by the legislature in 1973 but, as Governor Lucey observed, "to try to unmerge would be like trying to unscramble eggs."

Historically, the University of Wisconsin's best defense against government intrusion had been its tradition of service to the state, including active participation as advisors to state government. This tradition, "the Wisconsin Idea," was frequently cited in the words of former UW President Charles Van Hise: "the boundaries of the campus are the boundaries of the state." Governor Lucey allowed that this might be true but argued that it then followed the "the citizens of the state are the citizens of the University." In his mind the Department of Administration was a legitimate agent of the state's citizenry and an ideal tool with which to bring the "management movement" to public higher education.

After the merger, Governor Lucey unleashed an aggressive campaign to test and probe the purposes and processes of public higher education. In terms of Berdahl's three categories of higher education autonomy (intellectual independence, administrative independence, and academic independence), the Governor's probes were as follows:

(1) Intellectual Independence. Neither the executive nor the legislative branches of government challenged the UW System in this area.

(2) Administrative Independence. This was a chief target for the Department of Administration (DOA) and the point at which the "management" movement in higher education was launched. Here DOA raised questions about program productivity, faculty workloads (suggesting systemwide standard teaching loads), enrollment projections, administration salaries and functions, personnel policies, purchasing policies, dormitory usage, and others.

(3) Academic Independence. Here the Department of Administration was joined by the Governor, his staff, and several other state agencies and the legislature. Prominent questions in this area were: desirability of tenure; faculty relocation in light of projected enrollment trends; the priority of undergraduate instruction relative to research and public service; the extent of program duplication among the various system institutions; the ways the system could gain greater income through more extensive use of the user fees; services to minorities and disadvantaged students; the extent to which enrollment in various programs corresponded with state employment needs; the effectiveness of the system's services for strengthening Wisconsin's economy and improving the state's health care system; and, encompassing several of the questions above, the viability of individual institution missions.

Within the academic independence category there seemed to be two principal tests. The first related to the cost-effectiveness of existing policies. The second tested the system's compliance with the ideology of the state's new political establishment. The Governor determined that the state budget should be the principal instrument for demonstrating accountability to the state. DOA led the probing in both the academic and administrative areas by performing pre-audits "using a manual and model guidelines prepared by administration" in the form of detailed instructions for preparing "state agency" budgets. The probers also carried with them a style which presumed a priori guilt on the part of the UW System.[3]

In some cases judgements and recommendations made by zealous state-agency staff members caused the Governor to retreat from positions he advocated. For example, in 1972, after release of a Department of Administration analysis advocating curtailment of the faculty tenure and the state's institutional financing systems, faculty reaction was severe enough to cause the Governor to appear on the Madison campus and moderate the statements of his staff.

In 1974, the Department of Administration asked the University System to explore the feasibility of reducing the number of graduate schools in the former WSU system from ten to two. The system proceeded to study this request, in the course of which public hearings were held at the affected institutions. When it was pointed out that the state's 44,000 teachers enrolled in summer school would not be able to enroll at two campuses, the resulting public outcry forced a retreat from this effort.

However, while the Governor retreated in a few instances, his general offensive continued. In preparation for the 1973-75 biennial budget, the Department of Administration sent detailed budget building instructions to all state agencies, including the University System. Incorporated in those instructions was the mandate to realize productivity savings equivalent to 2.5 percent of the base budget each year of the biennium and to identify low-priority programs equivalent to 10 percent of program offerings and recommend reallocations to higher priority programs. An earlier productivity effort initiated by the system in the 1972-73 budget made the identification of low-priority programs more difficult than it otherwise would have been; nevertheless the system's central administration followed instructions in anticipation of the opportunity to reinvest funds in the higher-priority areas. The net result was $9 million for "productivity reinvestment." Only a small portion of these funds were approved; the rest was incorporated into the Governor's budget. In the final six months of the 1974-75 academic year, the UW System was asked to provide an additional austerity savings of $3 million.

Another problem that emerged during the first three years of merger was caused by enrollment declines at several of the former Wisconsin State Universities. The existing enrollment funding formula assumed continued growth:

> If an institution exceeded its enrollment projections, the state provided 50% increment, based on the cost-of-instruction in the year when the increase occurred, and the remaining 50% for the following year. If an institution fell below its projections, it was required to return 50% of the cost-of-instruction per student in the year in which the decline took place, and the additional 50% in the following year.[4]

As a result of the enrollment declines, several institutions had to return enrollment funding as well as productivity savings both in 1972-73 and in 1973-74. The consequences within the UW System were "temporary internal transfers of funds to observe one-year termination notice requirements, declaration of fiscal emergency, interim guidelines on due process procedures for retraining and reallocating as many of the laid-off faculty as possible." Eighty-eight tenured faculty were given lay-off notices in May 1973, of which all but sixteen ultimately remained in higher education. Eventually, 1,132 staff positions were lost.

During the 1975-77 biennium, the state attempted to solve the university system's enrollment funding problem by eliminating the funding formula; however, enrollments increased the following year and the system had to make do with a continuation of 1973-75 support levels. Among other things, this necessitated the imposition of enrollment ceilings at the more popular institutions. Since 1972 the system had to accomodate over 13,000 additional head-count students, slightly over 6,000 full-time equivalents, without appreciably increasing the size of its faculty.

Donald K. Smith, the University System Senior Vice President, points to the recent instability of government support as perhaps the most serious problem faced by the university system:

> An obvious but salient truth began to emerge from the experience of the system with fiscal decline in 1973-75...The truth was this: It is all but impossible to do effective mid-range or long-range planning for a state system of higher education in the presence of continuing fiscal crises and the kinds of coping actions and improvisations such crises generate. I do not mean to say that planning cannot or does not take place. Crises do cause faculty agencies and administrators alike to look more seriously and energetically toward the future, and to engage problems which might have been ignored in less somber times. I do mean to say that the disproportions between those actions which might be most wise in the long run, and those actions which may be necessary in order to cope with crises, become increasingly clear.[5]

On January 8, 1975 Governor Lucey sent a letter to Frank J. Pelisek, president of the UW Board of Regents. In this letter Governor Lucey reasoned:

> Throughout Wisconsin's history, the people of this state have been extremely generous in their commitment to public higher education. State policy has been guided by the twin goals of establishing the highest quality university education possible, and assuring access to regions of the state. In a time of rigid fiscal constraints such as state government currently faces, we cannot abandon those goals, but neither can we ignore how a pattern of unrestrained University growth, originating in a far different economic climate, if carried forward into this biennium and future biennia, can come at the expense of the achievement of our historic goals...By April 15, 1975 I asked that the Board of Regents bring to my office and the Legislature a plan for phasing out, phasing down, or consolidating institutions and programs, including a statement of language to be inserted into the 1975-77 biennial budget which would authorize implementation of the plan.
>
> The study leading to the plan should include to the extent that it is possible, analysis not only of the educational consequences of what may be proposed but the broader implications of various courses of action as well. I am certain that the Department of Administration, particularly the State Planning Office, and other state agencies will provide such assistance to the Regents and the University System as they request for furthering the study...Consistent with the board's position, I believe it is better that we now face forthrightly the question of how the University System can best reduce the scope of its institutions and programs in order to make it possible for the

> State of Wisconsin to enter the decade of the 1980's with a system of a size and character which can be maintained at the highest level of quality.[6]

The UW System's response was a three-volume study entitled, "President's Report in Response to the Governor's Request on Reducing the Scope of the University of Wisconsin System," or the "Scope Study" as it was commonly called. The essential response to the Governor as stated in Regent President Pelisek's introductory letter asked the state government to make some difficult choices, and thus tested the ideology of Wisconsin's Democratic party leadership.

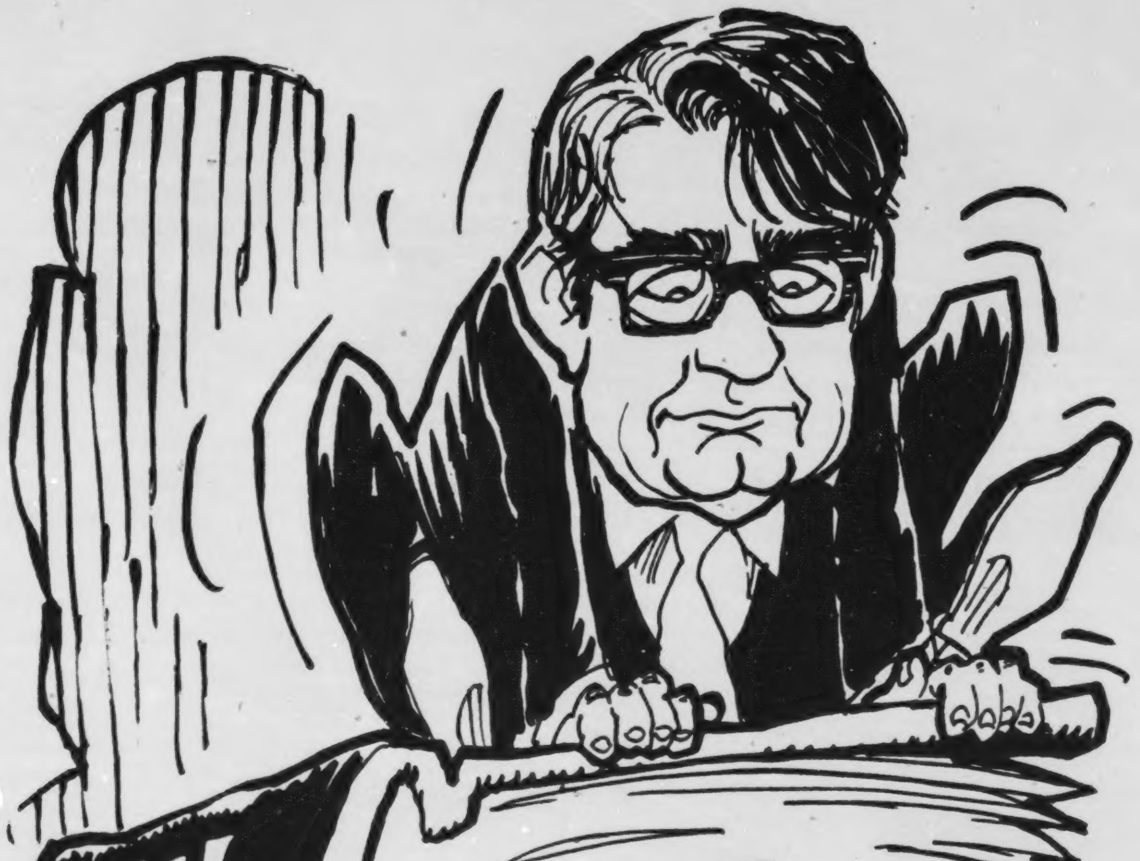
> I would also call attention to the fact that a decision to close down a particular campus will not produce major dollar savings for use elsewhere in the System unless that decision operates to release us from the responsibility of accomodating the students and faculty involved at locations elsewhere in the system.
>
> Given the importance of the subject matter and the directions of Speaker Anderson and Senate President Pro Tem Risser, I am having a copy of the Report and the President's Statement distributed to each member of the Legislature.[7]

The full report demonstrated that enrollments continued to increase; that the capacity to educate large numbers of additional students did not exist elsewhere in the state; that savings from the closing of small centers or campuses would be negligible given the need to educate affected students elsewhere; that community and regional economies benefitted substantially from the presence of system institutions and that "The University of Wisconsin System cannot -- I repeat, cannot -- provide education of equality for more students without appropriate, compensating increases in resources." In short, the UW System felt that it could not recommend reduction in size unless the state changed the system's missions and therefore requested increased funding for increased enrollments. The 1975-77 biennial budget passed by the legislature included a partial response to the "Scope" report. In addition to reaffirming legislative support for the goals of quality and access mentioned in Governor Lucey's letter, it directed the Regents to, "establish a four-year planning cycle, updated annually, for all institutions specifying enrollment, fiscal performance targets, and reduce the mission of institutions where necessary to maintain institutional and program quality within available resources." The Governor's budget further requested that a study of the feasibility of merging the University of Wisconsin-Superior and University of Minnesota-Duluth be undertaken by the Regents. No mention was made of closing institutions, a power withheld from the UW Board of Regents by the merger legislation.

Dr. Smith hoped that the legacy of the scope report would be increased understanding of the need for a stable planning environment.

> We have no illusions that prosperity is just around the corner for the University of Wisconsin System. We do have reason to hope that the relationship of crucial public policy issues to continuing experience with fiscal decline is now better understood by both the state government and the public, as well as within the University System. If this is the case, then we may be able to move from an environment of biennial, annual and sometimes mid-year budgetary crises into an environment within which effective mid-range and long-range planning can take place.[8]

The 1977-79 biennial budget restored a modified enrollment funding formula as enrollments continued to increase. Patrick J. Lucey resigned his office in 1977 to become U. S. Ambassador to Mexico. Lieutenant Governor Martin J. Schreiber subsequently became Acting Governor. In 1977, state government emerged with a $500-million budget surplus and an over $400-million surplus again in 1978. Since the merger in 1971, the University of Wisconsin System has retained virtually all the campuses, functions, and responsibilities with which it began the decade; however, senior University System Administrators maintain that tight budgets have all but depleted the system's flexibility for dealing with unanticipated shocks in the future. Table IV indicates that Governor Lucey did succeed in plateauing the growth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of public higher education relative to other state functions. In fact, the UW System's rate of growth in state support was less than the combined rate of inflation and enrollment growth between 1972-73 and 1976-77.

TABLE IV

EXPENDITURES - ALL FUNDS
TOTAL FOR SELECTED AGENCIES
1972-73 TO 1976-77

Year	UW System	Dept. Public Instruction	Health and Social Services	Legislature[1]	Total[2]
'72-73	$548,824,503[3]	$413,973,462	$ 575,145,238	$ 7,590,935	$2,938,162,334
'73-74	574,744,440	527,309,438	700,840,491	9,044,546	3,451,821,069
'74-75	627,695,541	581,261,923	885,892,929	10,463,565	3,935,653,546
'75-76	675,494,676	648,317,735	1,040,797,636	11,378,697[4]	4,373,351,935
'76-77	736,355,489	693,577,039	1,162,938,429	12,463,028[4]	4,730,831,364
Increase	34.2%	67.5%	102.2%	64.2%	61.0%

1. Excludes Building Commission.
2. Excludes building program and CPR transfer to Building Trust Fund.
3. Includes UW and WSU.
4. Excludes office of the Lieutenant Governor which was added in 1975-76.

Note: In the case of the Department of Public Instruction, over 95 percent of its budget is for state aids to local school districts. Health and Social Services includes payments of various state aids for mental health and other services, as well as the costs of running the state institutions under its control. The heading "Legislature" includes the salaries of legislators, their immediate staff and the legislative service agencies, such as the Legislative Council, Revisor of Statutes and the Legislative Reference Bureau.

Source: "Annual Fiscal Report," Department of Administration. Compiled at the request of the Wisconsin Taxpayer's Alliance, July 1978.

Table IV also suggests that the sources of emerging challenges for the UW system. Between 1972 and 1976, state expenditures for maintenance of the legislature soared 64.2 percent, from $7.6 million in 1972 to $12.5 million in 1976. Looked at another way (dividing the annual sums by the total number of Assemblymen and Senators -- 133), expenditures per legislator increased from $57,075 in 1972 to $92,203 in 1976. Of course, these figures reflect public investment in the legislature and its supporting agencies, and not in resources available to individual legislators. Nevertheless, tax support per legislator grew at nearly twice the rate of inflation. As recently as the early 1960's, legislators did not have offices but operated from their desks in the Assembly and Senate chambers. Now each legislator has at least one office, one or more staff assistants, as well as the support of the service agencies. Legislative salaries have also risen over the years to moderate levels. At this point, the basic salary stands at $17,843 plus allowance.

Many of the young and inexperienced legislators of 1970 have gained substantial expertise in dealing with complex issues and have risen to positions of influence. Also the current leadership, particularly in the state assembly, is composed largely of former educators. This list includes the Speaker Pro Tem of the Senate, the Speaker of the Assembly, the Assembly Majority and Assistant Majority Leaders, the chairperson of the Joint Finance Committee, the State Affairs Committee, the Revenue Committee, the Insurance and Banking Committee, as well as the chairperson of the Revenue Commission, the Building Commission, and the Elections Commission.

Edward Jackamonis, the current speaker of the assembly, a former political science instructor at UW Parkside is one of these. With the support of his colleagues, the Speaker has led a movement to assert the power of the legislature. Key themes in this effort are more effective management and consolidation of legislative process, establishing oversight of state functions through the use of performance audits, and problem-focused legislative investigations. Another emerging theme appears to be legislative evaluation of nonstate funding, including possible intervention in the use of federal funds. This later possibility has yet to take clear focus, but it is being discussed by key legislators and official in the Department of Administration, and is suggested in a recent directive from Acting Governor

Martin Schreiber to all state agency heads, including the University of Wisconsin System.

Although the movement to strengthen the power of the legislature is relatively new, it has initiated some conflict with the executive branch. In the 1978 session of the legislature, Acting Governor Schreiber vetoed three major bills, which created a strong role for the legislature in making administrative rules, on the basis of separation of powers. At this point, it is not clear that future relations between the legislature and executive branches will be strained. Several interviewed legislators and members of the legislative agency staffs expressed the opinion that the powers of the executive branch are formidable enough to discourage serious interbranch conflict, and that both branches generally share the same public-policy objectives.

On February 6, 1976, the Legislative Fiscal Bureau attempted to initiate a unique study of the University of Wisconsin System. The agency's head, Robert Ringwood, met with the UW Board of Regents to explain an audit he intended to perform on several of the system's academic programs at the general request of "legislators," although not at the request of any specific legislative committee. As Mr. Ringwood explained:

> Now specifically in the current audit or project for the University we are going to concentrate on the management of the academic function of the University. We're still in the survey stage so we're attempting here to determine what self-evaluation systems the university has in place, what goals, objectives, criteria...and what procedures the various departments and other units of the university have established to accomplish these tasks.[9]

Following a lengthy discussion focusing on the distinction between fiscal and academic audits, as well as the Audit Bureau's competence to evaluate academic programs and their human products, the Board, after referring to the statutory responsibilities of the Audit Bureau and the Board of Regents, unanimously passed Resolution 1155.

> The demand of the State Auditor for audit of academic offering and performance of faculty and other academic staff in the University of Wisconsin System is unprecedented and appears to be contrary to his statutory authority. The proposed actions would usurp the respective statutory responsibilities of the faculty and the Board of Regents. The effect would be to irreparably injure the University of Wisconsin System and the academic enterprises. Therefore, the Board of Regents respectfully declines to permit, and direct the staff not to participate in, the proposed audit.

On September 14, 1978, Robert Ringwood resigned as State Auditor citing legislative interference as a primary cause. His specific complaint was that he had been pressured to conduct audits that did not comply with his agency's statutory mission. However, some state observers questioned this motive, believing that Ringwood was more inner- than outer-directed.[10]

On July 24, 1978, the University System's budget planning process was again disrupted by an unanticipated event. Acting Governor Schreiber, at the time a candidate for governor in the fall election, froze state employment levels in all state supported agencies until June 30, 1981.

> The highest priorities of this administration in the next budget will be property tax reduction and comprehensive tax reform...Salaries and fringe benefits account for over 85 percent of the cost of operating state government. Therefore, any effort to limit state spending must be aimed primarily at controlling the number of state employees... Therefore, as of today I am freezing state employment levels until June 30, 1981...The restriction on employment has a single overriding purpose - to curb the growth of state government. The time has come to challenge the assumption that each year government must become bigger and bigger.[11]

According to UW System administrators, the impact of the Acting Governor's freeze on new positions poses several problems, in addition to those associated with anticipated increases in enrollments. First, it would seriously disrupt the four-year planning cycle previously approved by the legislature. Second, it would sharply alter the System's 1979-81 budget, at an advanced state of preparation, thus invalidating much previous effort. Third, in seeming contradiction to the state's mandate for austerity in public higher education that has been in evidence over the last seven years, the state has mandated additional programs, among them the opening of a massive new medical center and the building of a new school of veterinary medicine. Expansion on this front would require staff cuts elsewhere unless support for general instruction is increased. In any case, it is argued the System's base of support has eroded to the point where the state's past failure to support expanded enrollments, as well as the newly mandated programs, will necessitate either reduction in mission or dilution of quality.

In addition to the staff freeze, the Acting Governor's memorandum presented another possible arena for conflict with the University System. The memorandum explains:

> It is important that we subject requests for and expenditures of federal funds to the same scrutiny as state funds. Federal funding should be targeted to meet Wisconsin's most pressing needs...Each agency should be aware that I have asked that the state budget office develop a systematic review process for those federal programs which have major fiscal or programmatic effects on the state--particularly those subject to changes in federal support. Agencies should begin the process of identifying such programs now...Therefore, I am asking agencies, as part of the 1979-81 budget process to (1) Identify areas where federal regulations are contrary to state policies and to pursue aggressively waivers of these regulations, (2) Review all federal programs and projects to determine if they meet state priorities. If they do not, propose eliminating them, (3) Identify the future costs to the state of any federal programs.[12]

To better understand the nature of state-higher education relationships, it is necessary to focus on earlier developments within higher education, particularly as they pertain to the general issues of governance and financing.

V. THE WISCONSIN IDEA:
TRADITION IN UNIVERSITY-STATE RELATIONSHIPS

During this century, Wisconsin government has invested heavily in public higher education, while at the same time granting the enterprise extensive authority to govern itself. However, as in several states with progressive traditions, it is also true that state government has taken a close interest in the purposes and operations of public higher education, and, conversely, that public higher education, particularly the University of Wisconsin, has taken a close interest in the purposes and operations of state government. To a considerable extent, both the self-denial and generosity exhibited by state government have been the product of the University of Wisconsin's traditional leadership in state affairs.

The University of Wisconsin was established by Wisconsin's Constitution of 1848 to be free from "sectarianism" at or near the seat of government, in conformance with the wishes of the state's first political establishment, settlers from New England. The institutional leaders, who were appointed by the institution's governing commissions (and later boards), were also New Englanders. This no doubt influenced the choice of the private liberal arts institutions of the East as the models for the new University of Wisconsin. Robert Berdahl notes that this followed a national pattern. "When the states began to found public universities...they did not turn to their normal models of public accountability. They turned, rather, to precedents in the private sector in which state charters had been granted to legal entities known as board of trustees...who thereby gained the power to govern the institutions largely free of state controls." Berdahl lists eight kinds of authority that commonly distinguish the governance of public higher education from that of other state supported agencies.

Since its earliest days, the governance of the University of Wisconsin has a large measure of formal authority in all o` these areas, and continues to do so as the University of Wisconsin System under Chapter 100 of the state's statutes. These general powers are as follows: (1) constitutional and statutory recognition; (2) corporate powers; (3) appointments of board members to longer terms than most other public officials; (4) the power to borrow; (5) the power to appoint treasurers, select depositories for funds, and disperse funds directly; (6) autonomy on policy matters, such as requirements for admissions, graduation, programs, courses, and degrees offered; (7) authority over academic and professional personnel; and (8) authority over budgetary disbursements after appropriations are made.[1]

Although the early University was more independently governed than other state agencies, especially after passage of the University's "organic act" of 1866,[2] and the fact that the powers of the Regents with respect to state government have changed relatively little over time, population of the state by European immigrants, combined with the public mandate to develop the state's agriculture and industry (i.e., Morrill Act of 1862), created strong political currents that ultimately caused the governance of the university to become more closely linked with the governance of the state.

Development of the Wisconsin Idea

As Thomas Jefferson is still considered to be the most effective lobbyist for the University of Virginia, the "Wisconsin Idea," authored by Charles McCarthy and expressed by Charles Van Hise and other academic leaders of the Progressive Movement, continues to have some currency in Wisconsin. This stems from the role the University played in meeting the needs of the state citizenry, not only in the area of important discoveries and educational programs, but also in organization of state government.

In terms of services to government, the academic progressives generally demonstrated that they were superior advisors, planners, and architects of public policy. Furthermore, the effects of their actions put them on what was to become the winning side of Wisconsin's greatest social revolution, the Progressive Movement. In Wisconsin this movement was to a considerable extent a struggle of the majority, European immigrants, to enter the political mainstream and become first-class citizens. It was mainly the European immigrants who became the state's builders of agriculture and industry, and they, in turn, advocated more services from higher education. The immigrants also advocated a type of government that could "control great business organizations in the public interest to preserve the remaining resources of the state subject to an orderly and nondestructive development by private enterprise, and to distribute the burden of taxation in such a way that corporate wealth would have to support both the state agencies which controlled it and provide in good measure advantages to the public. This program greatly influenced the University. Since the progressive program favored greater support for public institutions, the University could expect to profit from it. Moreover, since fact finding, legislative blueprint, and the regulatory commission established to acheive the progressive objectives needed trained experts, it was natural to turn to the university for such services."[2]

There has been no major change in the population stock since the progressives came into power around 1910, and while the memory of the movement may have faded over the years, generations have grown up with the attitude that the university is somehow good and useful. At any rate, as will be developed in this study, the Wisconsin Idea continues to be used with some success in retaining state support and in restraining state intervention.

"The inaugural address of the new president, Charles Van Hise (1898),[3] was of special significance, both because he was a product of the university and the first alumnus to become its head. His address boldly built on the leading ideas of his predecessors; on Bascom's belief in the obligations of a state university to serve the social and spiritual well being of all citizens; on Chamberlin's dogged faith in the duty of the university to increase knowledge through original research and to strengthen the professional schools, and in Adams' conviction of a great future for the university as a leader in both higher education and service to the people. Nor was it a new idea when Van Hise declared, 'I am unwilling to admit that a state university under a democracy shall be of a lower grade than a state university under a monarchy.' The university, as he conceived it, was one and indivisible with the state. The hope of democracy and for the university was inextricably bound up with the mutual and reciprocal contributions of each to the other. To insure this future, "the people must understand the functions of the University and in turn must understand and serve the true interests of the people of the state, and, indeed, of the nation and the world itself."

Wisconsin's Vocational, Technical, and Adult Education System was also the brain child of Charles McCarthy, one of the original University of Wisconsin Progressives. However, from its beginning in 1910, with the blessing of the University, vocational education developed along an independent path. Policy legacies are: (1) the belief among public policymakers that higher and vocational-technical education should not be mixed or directly compete with one another for students, and therefore later, (2) that Wisconsin did not need a network of community colleges. This largely explains why the current University of Wisconsin Center System operates fourteen two-year liberal arts institutions and the Vocational, Technical, and Adult system operates over fifty almost exclusively vocational-technical institutions.[4]

The public universities other than Madison generally began as normal schools and became teachers' colleges as a result of the spread of compulsory secondary education. The pace of growth accelerated with the arrival of World War II veterans; after 1955, the state teachers' colleges became state colleges governed by a Board of Regents of State Colleges. The University of Wisconsin also began its expansion into a system in 1955, when the former state college at Milwaukee was placed under the jurisdiction of the University of Wisconsin Board of Regents.[5] Growth accelerated in the 1960's under the presidency of Fred Harvey Harrington (1962-1970) with the expansion of Milwaukee into a major urban university, with the creation of nine federally and locally financed two-year centers, and with the building of two four-year universities at Green Bay and Parkside.

The Wisconsin State University traditions were more closely identified with instruction, rather than research and public service. Traditions of faculty governance also differed, University of Wisconsin administrators after rising through the faculty ranks as teachers and researchers, remained closely identified with the faculty. Institutional leadership among the state universities also originated for the most part from the faculty, but the faculties were more closely identified with teaching. Also, these institutions were organized under a formally weak although, especially during the last three decades, informally very strong central administration. Since 1916, faculty influence on academic policy in the state universities tended to result from negotiation between an organization representing the faculties of all member schools and a system-wide central administration.

In 1967, the state colleges were designated state universities under the Board of Regents of the Wisconsin State University in recognition of their successful efforts to diversify and become comprehensive institutions with regional missions. This resulted from regional demands for expanded higher education services as well as the geographical limitations of the University of Wisconsin to serve all students desiring to attend comprehensive universities. The state's private colleges and universities were, with a few exceptions, uncritical of this development. By 1973, the WSU system enrolled 64,214 students and offered 123 academic programs on nine newly-expanded campuses across the state.

Development of the Merger Idea

During the 1950's and the 1960's, rapid growth in enrollment and facilities increased competition between the two public college systems. This competition, along with the wishes of Governor Lucey, the Democratic landslide victory of 1970, and the beginning of a slow-down in the economy, facilitated efforts to merge the two systems. Before describing the impact of merger on public higher education governance, it is important to understand the issues that motivated state government to consider centralization of higher education governance in the past. Mergers were considered many times during the twentieth century, but seriously only three times: the 1909-1923 State Board of Education era, the 1948-1953 Governor Kohler integration attempt, and the 1970-71 Governor Lucey victory.[6]

The first attempt was motivated by Stalwart Republicans, members of Wisconsin's initially New England-born ruling class. This faction resented the University's political activism and close relationship with the Progressive (La Follette) Republicans. The stalwarts bitterly attacked the University as a "hot bed of radicalism" and proposed to abolish all existing governing boards of the state educational institutions and substitute a state board of education composed of five full-time salaried members, who would act as a board with complete authority over all education.[7] This effort failed largely because of the displacement of the Stalwarts by the Progressives in the state's political mainstream. However, there were arguments that probably caused the issue to linger longer than it otherwise might have. The high cost of supporting the university was believed to jeopardize support for the public and normal schools. Thus, it was believed that increased efficiency could be realized by merging the university, the normal schools, and, according to some bills, all other public schools under a board of education or system. UW President Van Hise also came under criticism for his efforts to counteract political intervention through mobilization of a University Lobby. One interesting episode in Van Hise's lobbying efforts was the creation of an alliance between the University of Wisconsin and the state's private colleges to prevent normal schools from offering bachelor's degrees in elementary education thus entering into competition with the university and the private colleges in this field. The normal school effort did not succeed until 1925. However, after a brief resurgence of Stalwart Republican strength and the creation, instigated by Governor Emmanuel Phillip (1915-1917), of an essentially functionless board to coordinate the UW and state normal schools, the Progressives regained control and the board was eliminated in 1923.[8]

As time passed, new arguments emerged for increased coordination in public higher education. The cost of supporting higher education soared after World War II when, as a result of returning veterams, enrollments at the University of Wisconsin jumped from 9,802 in 1946 to 23,892 in 1947. Wisconsin's associations of elementary and secondary school administrators and teachers advocated a single board of education in 1945. In 1947, two University of Wisconsin School of Education professors issued a report advocating increased coordination of higher education and cited a pressing need for the establishment of junior colleges across the state. In 1948, a Committee on the Functions and Policies established by the University of Wisconsin found that various units of the existing systems of higher education were poorly coordinated, and recommended that an integrated university system be created composed of Madison, several four-year colleges (including Milwaukee), and a number of junior colleges. In 1947, the Wisconsin legislature created a Commission on the Improvement of the Educational System. The Commission recommended that "all existing boards be abolished and that a single board of regents be placed in control...of an integrated system." Only the vocational system was to be left as before. In 1950, a study was conducted on the educational needs of the Milwaukee area. Contrary to other reports, it did not urge a merger but concluded that the state college in Milwaukee should be left as it was, and the University of Wisconsin should develop another university emphasizing graduate and professional education in Milwaukee.[9]

The general sense that emerged from all the reports was that there was a need for greater coordination of state educational resources. Conditions in the Milwaukee area warranted expansion of higher education opportunity and it was believed that there might be a need for a network of junior colleges. A general consensus existed that vocational-technical education should be left alone. But beginning in 1948, the University of Wisconsin administration began opposing consolidation.

In 1950, Walter J. Kohler, a moderate Republican, won his first of three terms as governor after overcoming stiff opposition from his party conservative faction (this interparty rivalry plagued him throughout his three terms).

In November 1950, as Governor-Elect, he discussed in a series of budget hearings the advisability of integrating the state's higher education institutions; nothing more was said until the beginning of his second term. On November 21, 1952, in a meeting of the Wisconsin Building Commission, Governor Kohler said the University of Wisconsin and the state colleges "shouldn't get a cent for buildings" until they accept integration of those insittutions under a single Board of Regents. The Building Commission accepted his proposal. Later, in January 1953, the governor formally proposed a merger.

In 1953, the University of Wisconsin administration organized opposition to the idea. The initial position was that the Regents were not opposed to the idea of increased integration but objected to the specific features of the Governor's proposal. The state colleges board also registered its opposition. Governor Kohler did win a consolation prize. The compromise was the establishment in 1955 of a Coordination Committee on Higher Education (CCHE). This was an organization largely composed of governing board members and staffs from the University of Wisconsin, the state colleges, and the county teachers' colleges. The group had very limited authority over statewide coordination in a period when the purpose of coordination was to facilitate growth in higher education.

> The committee was directed to: (a) determine overall educational needs and programs, (b) plan the most efficient use of the facilities and personnel and the priorities for construction of new facilities, (c) recommend a single consolidated budget for all of its institutions, and (d) merge the Milwaukee state college and extension center into a single four-year institution under a provost who would report to the President of the University.[10]

As noted earlier, 1965 marked the upgrading of responsibilities for CCHE discontent over continued growth, and increased competition between the UW and WSU systems began to raise doubts about the need for further expansion. This tightening occurred under the administration of the Republican governor, Warren Knowles. The perception in the legislature was that CCHE was completely dominated by the representatives of the various systems and therefore ineffectively represented the interests of the state to higher education.[11] In addition, the competition among the public university systems was intensifying. The University of Wisconsin built the network of two-year colleges, mentioned earlier, as well as several new extension centers for community programs and adult education. Reflecting the wishes of the educational representatives on CCHE, long-range planning was not coordinated but remained the preserve of the individual systems.[12]

In 1963, the legislature established a "Committee of 25", which was composed of prominent citizens. Their 1965 report concluded:

> The present administrative structure of higher education in Wisconsin has evidenced serious weaknesses...the present staffing plan is organizationally and administratively awkward... CCHE is seriously handicapped because the majority of its members have a special and strong loyalty to the institutions they represent.[13]

Governor Knowles endorsed the recommendations of the committee and the legislature passed a bill reorganizing CCHE. According to the legislation, the Coordinating Council was to consist of seventeen members: nine citizen members appointed by the governor for eight-year staggered terms; one member each, selected each year by the University Board of Regents, and the Board of Vocational, Technical, and Adult Education; in addition, the presidents of each of the boards; the Superintendent of Public Instruction; and one member of a county teachers college board appointed annually by the Governor.

For the first time the executive director received a budget and could hire staff. Previously staff were borrowed from the systems. Most of the functions remained the same but official state language describing them toughened. These functions were to recommend a consolidated budget to the legislature and to review academic programs and plans for physical facilities. A new addition was the requirement that all new educational programs had to be approved by the Council. In 1969, CCHE was given the power to discontinue existing educational programs "whenever necessary." Beyond this, former Governor Kohler, an advocate of merger, was named first chairman of the Council.

In spite of the expansion of formal authority, the increased specificity of the charge, and the addition of an independent staff, the council did not succeed in satisfying either the executive and legislative branches of government or the educational systems. As one chancellor stated it, "CCHE had all kinds of formal powers, but did not have the votes to make any decisions." The systems continued to lobby directly with governors and legislators wheneven success was not obtainable through CCHE; also, the CCHE staff was never able to compete with the larger and more expert staffs possessed by the systems.

The Development of Inter-Sector Conflict

There seemed to be consensus among the key participants on all sides of the issues of the 1960's that an important step toward a universal public higher education system occurred with the merging of University of Wisconsin and the state college at Milwaukee. Members of the University of Wisconsin at that time stressed that pressure for this originated with the Governor and key Milwaukee constituents who wanted a university in the University of Wisconsin tradition. The state college regents reluctantly accepted this move with the understanding that they would have clear title to Wisconsin's four-year institutions. The state college regents also reluctantly accepted the University of Wisconsin's network of two-year colleges in place of a junior or community college system. However, when the University of Wisconsin successfully sought to obtain two new four-year institutions, it was viewed by the WSU as a "declaration of war."[14]

It is important to understand how the various parties viewed the 1965 situation. The need for continued growth in higher education was a common assumption for Republicans and Democrats alike. The staggering enrollment increases and the state's enrollment funding formulas supported this assumption; despite concerns for escalating costs that grew in intensity by the end of 1960's, three governors, Nelson (1959-1963), Reynolds (1963-1965), and Knowles (1965-1971) (two Democrats and one Republican respectively) all supported the expansion of public higher education.[15]

The University of Wisconsin saw itself as the embodiment of the Wisconsin Idea. Beyond its highly effective service-to-the-state design, the institution's internal workings had been structured with equal care. The faculty produced the institution's administrators; not only the president but the budget officers and other key administrators as well. Faculty committees were responsible for future planning as well as all manner of institutional housekeeping. Whenever the University undertook a public project, faculty from various disciplines were brought together to design and execute the enterprise. One example of a uniquely successful effort was the University's Extension Service. This was based on a design that mixed the offices of research faculty with those of extension faculty. That way, those whose task it was to apply knowledge would be in daily contact with those whose task it was to produce knowledge. The system worked extremely well, but it was expensive in terms of investment per faculty member.

As stated earlier, the University was originally modeled on the classic but small liberal arts universities of the East. The Wisconsin Idea of the Progressive period altered UW Madison's mission and philosophy toward research and public service, but it did not make the University a large institution. At the end of World War II, the University's enrollment was only about 7,000. After that, external demands for increased access and increased services swelled enrollments and faculty size, but the prevailing attitude at UW Madison until the early 1960's was that it was better to adequately support a small but highly creative faculty than to dilute quality by expanding beyond financial and human resources. Thus, one of University of Wisconsin's principal fears concerning the state colleges, as in Van Hise's day, was that rapid expansion in any higher education sector would threaten the level of support for University programs, particularly where expansion sought to emulate the tasks of UW Madison.

Another feature of the University's design was its relationship to the Regents, and through them its relationship to the state. Perhaps because faculty were well supported, being the first citizens of the institution, and because of the intriguing opportunities provided by the Wisconsin Idea for applying knowledge, many illustrious scholars were drawn to the Madison campus. This meant being a University of Wisconsin Regent was a matter of high prestige.

As was usually the case, Regents were selected on the basis of unusual achievement, including political influence and access to political resources. The Regents, in turn, would represent the University to the state during their terms of office. Also University of Wisconsin Regents normally ranked higher than legislators in party hierarchies; since Wisconsin's political tradition showed long periods of one-party rule, the most important issues could often be accomodated at levels higher than the legislature. During periods of two-party or intraparty conflict, when the Regent system might temporarily weaken, the University could rely on direct contact with the legislature through its network of county agents, their local policy boards, and the University of Wisconsin alumni, who were militant defenders of a University of Wisconsin degree.

Until the period of demand for expansion and growth in enrollments, the University of Wisconsin and its internal system were relatively secure; however, the emergence of an unavoidable mandate for growth during the 1960's created unprecedented challenges. In the early 1960's, a great debate developed on the Madison campus over the issue of how the University should respond to pressures for expansion.

The G. I. bill, the post World War II baby boom, the aftermath of Sputnik, and President Johnson's war on worldwide poverty produced abundant federal and state resources with which to expand. The E. B. Fred administration, an outgrowth of the natural sciences faculty, had followed a policy, born in leaner times, of cautious development. The social sciences faculty, led by later Fred Harrington, Robert Clodius, and the current president of the UW System, H. Edwin Young, led expansion on several fronts.

In 1965, President Johnson said it was time for the universities to help the cities as much as they had helped the rural areas. As a result, federal support for land-grant extension, which had never taken root as long as it was limited to agriculture, received generous funding when it was opened to cities as well. The UW agressively pursued this source of funding. The Madison faculty also became heavily involved in programs to aid developing nations.

Because of the new buildings, upgraded faculties and increased diversity in programs at all Wisconsin's public universities, the man on the street might not perceive much difference between the state universities and UW, but UW did. Consistent with Van Hise's original view, UW looked upon the state universities as second-rate institutions and as a threat to the University's base of support. Before the growth period, UW's philosophy seemed to be: stay small and keep the competition small, so that quality can be preserved within limited resources. With the advent of the mandate for growth, and the generous federal and state support that accompanied it, the philosophy seemed to shift to: let the best model grow.

Politically, UW also feared isolation; the state universities were spread across the state and their tight central leadership enabled them to muster impressive legislative support. UW had its extension network and the newly created Center System: but when legislators thought of UW, they thought first of Madison. In 1962, at the beginning of the Harrington administration, this appeared to be disadvantageous. The social science faculty, from which Harrington emerged, had a reputation, in spite of official political neutrality, for liberalism and Democratic sympathies. The state universities, on the other hand, were generally located in rural, Republican areas.

Previous disposition not to go to the Federal Government for aid, due to fear of increased federal control and wandering faculty loyalties were dropped with the exception that the Harrington administration deliberately avoided secret research. Thus, UW researchers sought sources of federal support that did not decline sharply after the Vietnam War. This appears to have contributed significantly to UW-Madison's current standing as one of the very top-funded research universities in the nation. In 1974, UW-Madison was rated by the National Science Foundation as first in the nation in terms of total support for research. Critics of the UW at the turn of the decade charged neglect of state problems; however, at that time faculty advisors to the Governor and the legislators were numerous and many, perhaps most, departments at the University interacted frequently with field-related state constituencies. No attempt was made at the time to add all these constituencies together to demonstrate the extent of state service.

The following quotes from E. H. Kleinpell's (former president of the Wisconsin State College at River Falls) In the Shadow (of the state university), describe factors contributing to the development of the Wisconsin State University member institutions during the present century. In the margin, state actions paralleling Kleinpell's description are shown.

TABLE V

BRIEF HISTORY OF THE DEVELOPMENT OF REGIONAL STATE UNIVERSITIES

1848 Article X of the Wisconsin Constitution established the University with a normal school. In 1857 the legislature established a separate normal school system. In 1866 the first normal school was established at Platteville.	"The need for elementary teachers and the unwillingness of established institutions to supply them had established the normal schools."
State teachers colleges. 1927 - Legislature authorizes Bachelor's of Education degree and the normal schools become state teachers colleges.	"From 1880 to 1930 enrollment in public secondary schools jumped from 110,000 to 4,440,000 students." Secondary teachers were in short supply. "Thus the door was opened for the normals to fill a void by obtaining legislative approval of new teaching programs and a change of status...The development of accrediting agencies for school systems requiring ever higher standards for teacher preparation was translated by the normals into pressures to improve their own academic capability and range... This pattern of upward mobility was practiced in state after state until 1940 most of the normal schools had achieved baccalaureate status."
State Colleges (1951 legislature authorizes liberal arts instruction and state teachers colleges become state colleges).	"In the process of winning collegiate status, the teachers colleges planted the seeds for future upward mobility. The degree programs for secondary teachers demanded an ever increasing number of academic majors based upon the liberal arts, and the teachers colleges found themselves adopting the organization and outlook of the more prestigious institutions. For reasons of respectibility, the employment of faculty with the doctorate became a necessity. To this "new breed" of faculty a program designed exclusively for teachers often appeared inadequate; it did not fit in with their own academic and professional aspirations. Many an astute president of a teachers

college organized the discontented into a team of supporters whose chief concern was the upgrading of the institution.

Regional Universities (1967 Legislature changed state colleges to state universities).

"Attracted by low tuition, the absence of selectivity barriers and the broadened curriculum, an ever increasing number of students not interested in teaching as a career enrolled. To many in this group, the teachers colleges would be resource for their own economic and social mobility. At the same time, this new type of student broadened the alumni base for the support of institutional ambitions. An unexpected powerful assist came from Main Street. In the post-industrial world, knowledge had economic value and colleges and universities were the suppliers of a new kind of product. They were in truth smokeless industries...The nation was committed to the democratization of education and any doubts that it may have had were cancelled by the arrival of Sputnik and our own efforts to put 'fellow travelers' into orbit... By 1960 education ranked second to the Department of Defense in the affection of Congressmen and at the state level legislators found it expedient to give more than lip service to education. Many governors rode to victory on the educational bandwagon...Departments and schools of social work, business, engineering, conservation, nursing and many others were established. Though no longer dependent upon teacher education, they never turned their backs upon the teaching profession. Rather, they made use of it to gain a foothold in graduate education."

The disadvantage of the state universities was that their campuses, originally placed according to a long past sense of need for normal schools, were generally not located in most densely populated urban centers. The Harrington administration, for a variety of reasons, including opportunities provided by President Johnson's call to save urban America, saw long-term advantages in urban locations for UW enterprises. Thus, his administration pursued the idea of an expansion in Milwaukee and successfully argued for two additional four-year campuses: Parkside, located in the heavily populated Racine-Kenosha area south of Milwaukee, and Green Bay, located at the head of the rapidly growing Fox River Valley in northeastern Wisconsin. Both institutions were to have unique missions suited to serve the areas in which they were located, and both would be funded according to UW rather than state university standards.

As noted earlier, this latter step increased conflict between the UW and WSU systems. Conflict was manifested by increased competition within CCHE and especially intensified lobbying before the legislature. This lobbying was characterized by the promotion of specific institutions and programs at the expense of others, conflicting advice, hunger for additional resources, and promise of catastrophe if the budgets were reduced.[17]

Perhaps the 1970's history of Wisconsin's public higher education system would have been altered if the University of Wisconsin had sought a more cooperative relationship with the normal schools and later state universities. Writing in 1948, Curti and Carstensen commented:

> For all the published statements about carrying education to the people, the attitude of University officials toward the normal schools ignored the fact, clear to anyone who looked, that educational opportunity was often a matter of geography...It was at least an open question whether the highest educational interests of the state were served by opposing the development of the teachers' colleges into regional colleges which appear to be evolving at the present, or whether their interest might not have

> been better served, if, instead of fighting the advance of normal schools, University officials had encouraged their growth, generously and wisely, and helped them toward educational respectibility and usefulness.[18]

Through the Coordinating Committee on Higher Education, the University of Wisconsin made some attempts to aid the development of the state colleges by faculty development and other efforts, but for various reasons not enough was done to steer away from mutually damaging conflict during the late 1960's.

The End of Coordination

CCHE compiled a dismal record in dealing with competition between the systems. For example, in 1968 the dean of the UW College of Agriculture, Glenn Pound, requested that a new forestry school be established at Madison. Lee Dreyfus, president of the Wisconsin State University - Stevens Point, requested that the school be built at his institution. CCHE approved forestry schools at both places. Shortly thereafter, Madison and WSU - River Falls competed for a new school of veterinary medicine; CCHE, stung by criticism over its earlier decision compounded the problem by disapproving both schools.[19]

October 2, 1970 has been described as the final nail in the coffin of CCHE. After having received a 1971-73 biennial budget request for $572.4 million in state tax funds from the two systems, a 55.4 percent increase over the previous biennium, the CCHE staff recommended a total package of $490.2 million. Acting UW President Robert Clodius and Vice President Donald Percy disputed this recommendation. Percy told CCHE's Finance Committee Chairman, William Kraus, that he could prove that the CCHE staff had done a perfunctory job and he was ready to debate specific program recommendations with the CCHE staff, which he proceeded to do.

CCHE's budget staff consisted of one budget analyst and his assistant. These two spent only two weeks analyzing the submitted budgets. The contest was uneven in light of the more extensive budget staffs possessed by UW and

WSU, as well as both systems' year of advanced preparation. After deliberating for a day and a half, CCHE surprised everyone by accepting the system's request, with only a $13 million cut in the original requests.[20] After the howl of legislative and editorial criticism that ensued, calls for the abolition of CCHE were heard from the Assembly's powerful Republican Speaker, Harold Froehlich among many others.

In defense of CCHE, William Krause pointed to budget planning procedures as the proper villain in Wisconsin's higher education policymaking arena. He observed that:

> (1) There is no resource limitation, or even guidance, placed on budgeteers...
>
> (2) The present budgeting system is geared to go only one way -- up...
>
> (3) Educators don't like words like "efficiency" or "cost effectiveness" or..."output measurements..."
>
> (4) "...the budget-planning system is seriously biased in favor of the status quo...and since I do not know where the present system came from or what keeps it alive, it is possible that you as legislators are part of the problem..."[21]

Even as CCHE was drawing strong criticism as a result of its actions during 1968-70, plans for replacing it were taking shape through the rebirth of the old Department of Education idea. The first product for policy consideration was the report of the Kellett Commission. In January 1969, Governor Knowles created the Governor's Commission on Education to "study in depth the state's financial and administrative relationships with education at all levels...and recommend appropriate actions to insure that the tremendous investment of tax dollars produces the maximum educational result." Several converging issues seemed to require a statewide study of the subject. Public elementary and secondary education were complaining about tight finances. Private elementary and secondary education institutions were also pushing for state aid to private education. The private higher education sector through its newly formed organization, the Wisconsin Association of Independent Colleges and Universities, was lobbying heavily for expansion of the state's tuition grant program. The end of the baby boom, which had initiated the growth era, was clearly in sight. CCHE was in trouble and political reaction was building to the anti-Vietnam riots at UW-Madison and some of the state universities.[22]

Governor Knowles chose a retired industrialist, William B. Kellett, to head the commission.[24] Kellett had successfully headed two earlier gubernatorial committees, the Wisconsin Committee on Improved Expenditures Management and the Committee on Reorganization of State Government. Unlike the products of the many such efforts, these committees made recommendations that were actually adopted by the legislature.

For his education commission, Kellett created an array of task forces that drew "600 men and women and some 3,000 student" volunteers to work studying the total state of education in Wisconsin.

By welcoming this army of volunteers, William Kellett was in effect providing a platform for anyone who thought there was something wrong with the existing system. Therefore, there was a strong presumption that fundamental change was needed everywhere at once. The overriding theme was the need to provide a framework for better management of all levels of education through an extensive array of policy boards under one overall state Board of Education. This Board was to be composed of fifteen members appointed by a governor: "The situation we face, where the needs are great and our resources limited, demands some single authority to set priorities, establish long-range plans, and, as the report says, chart the road we should take to reach tomorrow...The Commission believes that the State Education Board is the appropriate agency to develop methods of appraisal and evaluation and to establish indices for the guidance of state leadership and the citizenry at large. Each educational system should develop and adopt an information system utilizing PPBS (program-planning-budgeting system) methods to foster fiscal accountability of a higher order..."

Under the Board of Education there would be at least twelve other boards: the Board of Elementary and Secondary Education, which was essentially a reorganized version of the existing Department of Public Instruction; eight Regional Boards, whose purpose would be to pool the resources of public and private elementary, secondary, and higher education institutions within the state's eight Administrative Regions; a Board of Regents of Technical Colleges responsible for a state-financed system of ten to twelve technical colleges and their satelites and partially composed of the UW and WSU branch campuses and two-year centers (this crossed the state's traditional line separating vocational-technical and higher education); an Open Education Board, whose purpose would be to develop a Learning Resource Center and an Open School, as well as make new educational opportunities available to "people of all ages in all parts of the state," was also proposed. The Boards of the University of Wisconsin and the Wisconsin State University would initially be retained, but the first order of business after creation of the State Board of Education would be "the merger of the two systems under a single University Board of Regents." Until then the existing university boards would retain all present powers and duties for internal administration and general operation of the system: "Functions related to overall state planning, including definition of objectives, program development preparation and presentation of budgets will be exercised under plans, policies, and procedures established by the State Education Board for the total educational system." Students had their special interests represented in the Commission's recommendation that "the doctrine *in loco parentis* at the college and university level" be abandoned.

A second major theme in the Commission's report stressed the need for restructuring higher education financing.

Among the Commission on Education's assemblage of educational experts and representatives from industry and politics was Robert DeZonia, Executive Secretary of the Wisconsin Association of Independent Colleges and Universities, a body formed in 1965. DeZonia had earlier represented the State Universities on CCHE and was instrumental in creating Wisconsin's Tuition Grant program in 1967. This program, which followed the theme of the federal legislation, limited grants to institutions charging more than the tuition charged at UW-Madison in other words, the private colleges and universities.

Another influential resource for the Commission was Professor W. Lee Hansen of the UW Department of Economics. Professor Hansen is perhaps best known for the 1969 Hansen-Weisbrod study of higher education financing in California.[24] This study argued that low-tuition access to public higher education was inequitable. In the place of low tuition, he advocated the establishment of a voucher system, whereby all students, regardless of whether they attended public or private colleges and universities, should receive student aid in relation to their, and their parents', ability to pay. Lee Hansen conducted a similar study in Wisconsin for the Kellett Commission and his arguments gained wide interest in the state, nationally, and within the Federal Government.

The Kellett Commission recommended that the state's entire system of financing in Wisconsin be restructured. Access to colleges and universities would be financed through a system of vouchers given to students. The proposal was that the state adopt a program "whereby any qualified Wisconsin high school graduate may attend any non-profit accredited school, college or university -- public or private -- subject to the enrollment limits and other requirements of the school, on the basis of the student's ability to pay. All students would receive a $500 basic grant and supplementary grant based on determination of financial need and ability to pay. "Institutions will collect full tuition from the students rather than receive appropriations from the legislature for instructional purposes."

It was also recommended to reduce pressures for increased property taxes, responsibility for vocational-technical education funding should be totally transferred from the vocational districts to the state; furthermore, state support for public education should be increased to 40 percent of total school district expenditures.

In short, public higher education, which was virtually 100 percent state funded, was to be partially eased off its base by requiring "those who could afford to pay more, to do so." Supporting federal and state student aid systems would assure that existing levels of access would be maintained. If public higher education moved increasingly toward student financing, K-12 and vocational-technical education could move off its property tax base, which would relieve pressure on the property tax.[25]

As far as university programs other than instruction were concerned, the state could evaluate them according to management by objectives and other accountability measures. The overall result would be "a total system more responsive to the consumers of educational services." However, the commission created by a Republican governor, headed by a prominent Republican philanthropist, controlled by influential Republican citizens, financed in part by money donated by Republican industrialists, and supported by several Republican legislators "couldn't help but have a Republican image..."[26]

The Kellett commission's final report was published in November 1970, the same month in which the Democrats won their landslide victory. This was a source of sorrow for the Kellett Commission, but glee for university administrators, who viewed the commission's report with great trepidation.

As far as the University of Wisconsin administration was concerned, adoption of the Kellett recommendations would have meant the virtual dismantling of the university and removal of a large portion of its financial base. Furthermore, other UW scholars, including Ira Sharkasky and former UW student Joseph Pechman of the Brookings Institute, disagreed with Professor Hansen's recommendations and disputed his research.[27]

The Mood of the Times

As Harvard professor David C. McClelland has convincingly documented through a content analysis of popular American literature, the period between the late 1940's and the late 1960's was an era when Americans were satisfied with past success and optimistic about the future.[28] According to his thesis, this created a general feeling of affinity with disadvantaged people around the world and within the United States: it was thus the era of the Civil Rights movement and U. S. aid to war-damaged and developing nations. The Vietnam War, after it had escalated to the point where draftees were sent to fight, seemed a contradiction to the mood of the time. Professor McClelland labeled it a "false war," out of phase with popular sentiments.

The Vietnam War threatened the lives and future security of the college-age generation and its continued escalation made "the Establishment," an all-encompassing term that included many of the nation's institutions, a symbol of distrust among college students and young liberals. The war generally rallied a wide variety of other aspiring causes, including the Free Speech Movement, to oppose the establishment, and riots and demonstrations frequently erupted on college campuses, particularly at UW-Madison.

On the other side, liberals and conservatives who viewed the war as an extension of the post World War II struggle against "Communist Totalitarianism," and who wanted a victorious conclusion, were shocked by the attitudes and actions of the college generation. Also, the high cost of the Vietnam War, along with other negative economic factors, brought an end to the prosperity that had fueled the rapid growth of public services, including higher education. The first signs of a weakening economy appeared in 1969. The anti-war movement on Wisconsin college campuses also escalated. This culminated in 1970 with the bombing of Madison's Army Math Research Center and the burning of the administration building at the Wisconsin State University at Whitewater.

Reaction in the Wisconsin legislature to the war riots, the failure of tax revenues to keep pace with requests for public expenditures, unprecedented competition between the University of Wisconsin and Wisconsin State University Systems, failure of CCHE to bring order to higher education, and the relatively near-term peaking of the baby boom all correlated with the end of an era of confidence in public higher education. The stategists of the war effort were to be the "best and the brightest" products of the great universities, who had at their command the most advanced weapons that America's science and technology could produce; but the leaders seemed to have total failed both as enlightened leaders and as effective warriors. This was perhaps the beginning of the popular belief that "nothing works."[29]

Professor McClelland's content analysis notes a change in popular sentiment about that time. Things had gotten out of control, the feeling of need for affinity with others was overcome by a feeling that things had to be put back in order. The old liberals, symbolized by President Johnson, had failed. In the election of 1968, the young liberals supported Eugene McCarthy and rejected Vice President Humphrey. A majority of the electorate therefore voted for Richard Nixon. In Wisconsin, the incumbents in 1970 were Republicans who were split into moderate and conservative factions. The Democrats, representing a broad array of aspiring interest, had not had full control of state government in recent memory; therefore, the majority of aspiring influentials worked for a state Democratic party victory in 1970.

The change in public attitude resulting from the Vietnam War and the tightening economy was felt by public higher education in the late 1960's. Former University of Wisconsin President Harrington observed that in the beginning of his term in 1962, it was incredibly easy to be a university president. Federal and state officials and Congressmen and state legislators came to the university and asked for ideas, offered help, and identified with the success of the institution. Three governors who served during his term, two Democrats and one Republican, provided generous support. However, during the course of the decade the mood changed, as the University of Wisconsin was increasingly criticized in the Republican legislatures for being a hot-bet of leftist radicalism and a grasping consumer of state resources. "Edifice Complex," was a term frequently applied to increasing competition between the University of Wisconsin and the Wisconsin State University systems.

Until 1971, Democratic party leadership, including Patrick Lucey, had been strong supporters of the University of Wisconsin. When debate developed over whether to allow the University of Wisconsin to build the two new four-year campuses rather than assign them to the Wisconsin State University system, Lieutenant Governor Lucey (1965-66) supported the University of Wisconsin. However, the partisan nature of the debate on this and other issues resulted in partisan conflict over the appointment of Regents to the UW board. Democratic governor John Reynolds made several appointments, but the Republican Senate refused to approve them. This allowed Governor Knowles to make more Republican appointments than he otherwise would have. By the spring of 1970, all of the UW Regents were Republican, and on the date that the last Democratic Regent was replaced by Oddy Fish, the former chairman of the state Republican Party, President Harrington announced his resignation.

The Wisconsin State University system headed by Secretary Eugene McPhee experienced a similar course of events, although the system enjoyed more support from Republican legislators since the universities were located for the most part in traditionally Republican regions. McPhee's strategy, strongly supported by the presidents of the system's member institutions and the systemwide faculty organizations, was to ask, "Why not us?" to the requests for expansion and improvement of the University of Wisconsin institutions. And, while the WSU system was not as prestigious as the UW system, the strategy did accelerate the development of state universities into institutions with statewide graduate and undergraduate specialities and regionally comprehensive missions. But toward the end of the 1960's the strategy began to lose its effectiveness.

Merger seemed a politically obtainable goal when Patrick Lucey was elected governor in November 1970. After UW President Harrington resigned and Eugene McPhee had made known his intention to retire in 1972, there was also favorable sentiment toward merger within the Wisconsin State University System.[30] One of its chancellors, Lee Sherman Dreyfus of Stevens Point, advised the governor to this effect. Dreyfus argued that while Madison and the Milwaukee graduate schools should be funded at one level, all the other campuses should be funded equally since their missions were the same.

Governor Lucey also argued that he was helping public higher education by proposing merger. He believed that both systems were out of phase with current realities and that he could help place public higher education on a more viable path. Furthermore, some right-wing Republican legislators were challenging the intellectual independence of the universities with demands for purges of leftist faculty and students. If he, as a Democrat, initiated the merger, the right wingers would have little choice but to defend the institutions.[31] Finally, rather than propose some new design such as that advocated by the Kellett Commission, he would further expand the University of Wisconsin model. However, even though Lucey believed the merger was politically feasible, he tried not to underestimate the opposition.

In his initial budget message (1971-72 biennium) delivered on February 25, 1971, Lucey added a sweetener for the faculty in the form of a pay raise. He said:

> In the final analysis, the quality of education a university offers is determined by the quality of its faculty. I am therefore, proposing faculty pay increases and fringe benefit improvements in the present University of Wisconsin system of 8 percent the first year and 8½ percent the second...We are last in the big Ten in faculty pay and we rank sixth among six state university systems in the Mid-west. At a time when we are consolidating higher education and increasing teaching loads, we must also put ourselves in a position to compete for the very best teachers and scholars.[32]

Efforts to persuade the higher education constituencies to support merger included the nomination of UW President John Weaver to be president of the proposed system. These steps resulted in a proliferation of viewpoints on the issue. Some administrators and faculty became opponents from the start; others, who were not enamored of the idea of merger but believed it would pass, worked for a merger that would change the systems as little as possible; others supported the merger for the purpose of bringing about major changes. The traditional resources for opposing state actions, such as the UW alumni, were never mobilized. Also, even though a majority of the board of the Wisconsin State University system voted to oppose merger, both Eugene McPhee and the systemwide faculty organization worked for merger.

President Weaver was in an awkward position. Although he was a product of Madison and the son of a famous Madison faculty member, he was the choice of the Republican Regents and not the Madison faculty. Furthermore, although his board was united in opposition to merger, the Weaver administration in March and April of 1971 was reorganized after the exodus of key members of the Harrington Administration, and Donald E. Percy, then budget vice president, emerged as Weaver's senior advisor.

Percy's position on the Governor's merger was not entirely clear, but at a legislative hearing on February 4, 1971 to discuss various issues including the fate of CCHE, the Kellett Commission recommendations and the possible merger of the two public higher education systems, Percy was asked what he thought of merger. His response, speaking as a private citizen, was "anything that eliminates one bureaucracy and tears down two others can't be all bad." He went on to say that merger would work if it stressed policy and held the chief executive accountable, the existing policy functions of two boards and CCHE had diffused the responsibility while "under a single board the buck would stop."[33]

In opposing merger, the Board of Regents focused their attention, under the leadership of Regent Oddy Fish, on the Republican Senate. There Republicans retained a 20 to 13 majority over the Democrats; however, the effort narrowly failed because the Republicans were split among opponents and supporters of the idea.

After the passage of the merger bill on October 8, 1971, the University of Wisconsin System was placed under a single board composed of all members of the two previous boards. By 1974, the size of the board was reduced to fourteen citizen members appointed by the governor to staggered seven-year terms and two ex-officio members, the Superintendent of Public Institutions, and the President of the Board of VTAE.

The merger legislation also created a "Merger Implementation Study Committee" to legally define the new system. This committee, under the chairmanship of Regent James Solberg, was composed of three Regents from each former system (selected by their boards), the assembly and senate co-chairmen of the legislature's Joint Finance Committee, the chairmen of the assembly and senate education committees, and seven gubernatorial appointees. These included one student and one faculty member of each system plus three other citizens. Among the citizen members was Joseph Nusbaum, Secretary of the State Department of Administration. University of Wisconsin System President Weaver was the committee's secretary and Donald Percy and Eugene McPhee were designated as consultants to the committee.

Work on the statute began in the winter of 1972. At that time the former systems were described in Chapter 36 (UW) and 37 (UWS) of the state statutes. It was early decided that chapter 36, as revised by the committee, would become the statute governing the new university system. In May an ad hoc subcommittee was created under Regent Frank J. Pelisek to draft the new statute. One part of the document reflected agreement between the University Faculty Council, representing the former UW faculties, and The Association of University of Wisconsin Faculties (TAUWF), representing the former state university faculties on the subjects of tenure and unit autonomy. Other topics included definition of the roles of the Regents, the president and the institutional chancellors, and the faculty and students. Language was also written to establish Madison as the state's land-grant institution apart from the rest of the system, and define faculty governance and institutional authority over admissions and transfers of academic credits.

Even before the merger became final, the chancellors of both former systems agreed that the structure of the new system would emphasize institutional autonomy as in a federation of autonomous institutions, rather than as a highly-centralized single, statewide institution, and President Weaver agreed to pursue such a course. Furthermore, in the process of developing merger implementation legislation, it was decided that nonstate funds for system institutions would continue to flow uninterrupted to individual institutions; that institutional funding standards would distinguish Madison and Milwaukee (doctoral cluster) from all other universities (university cluster, the center system and extension); and that Madison would be the state's land-grant institution.

After completing its work, the subcommittee passed its draft to the full committee and a final report was forwarded for review by the legislature and the Department of Administration on January 31, 1973. In the meantime, TAUWF lobbied for five amendments to the statute; (1) locate central administration away from the Madison campus; (2) eliminate language regarding the layoff of faculty as a result of budgetary exigency; (3) make tenure systemwide rather than institutional; (4) require geographic selection of Regents appointed by the governor, and (5) require that the system budget process consider "comparable" faculty salaries throughout the system. The legislature accepted three of these proposals but the Governor vetoed two line-items.[34]

The surviving recommendation was "equal pay for equal work." The Governor acknowledged his debt for TAUWF's lobbying in support of merger by allowing an 11.5 percent pay increase for the former state university faculties in his 1974-75 budget and a lesser amount for the former University of Wisconsin faculty. After 1974, the University System adopted a single faculty salary policy for the entire system based on cost of living and merit.

The merger statute did not dilute the formal authority of the UW System's Board of Regents. In this the state continued the precedents of special treatment for higher education as opposed to other state agencies noted by Robert Berdahl. Once again, this "special treatment" did not constrain state intervention.

There were alternative ways the university system might have dealt with external pressures from the state. In the days immediately after the governor announced his plans to eliminate CCHE and merge the two university systems, the outgoing head of CCHE speculated on whether the system would ultimately become a slave or a monster. Once merged, the system could have substantial influence in all corners of the state, and if all parts ever united behind one issue, it could perhaps swing the pendulum, which at the time was moving from the state to the university, in the other direction again.

Thus, the alternatives were to turn inward and explore whether the criticisms directed at higher education were justified, and if so, make necessary changes; or to adopt an external orientation and mobilize for counteraction. At the time of the merger, the latter course seemed precluded for two principal reasons: (1) the merger brought together recently competing interests, and the old issues, such as where to locate new programs, what levels to support students at the various types of institutions, should receive and how the faculty should function in relation to the central administration, were not resolved. (2) Also, the state government was united under a strong governor, who seemed to have firm control over state policy agenda as well as the public purse. Thus, the Weaver administration decided to make the best of the merger by dealing with state government on its own terms and by seeking to build consensus within the system.

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VI. ISSUES AND PRIORITIES FOR THE UW SYSTEM UNDER MERGER

The following section describes the UW System administration's responses to several issue-related demands, initiated by the state and Federal Governments and other important constituencies. The following table provides a brief categorization of the issues, lists the key participants, and examines the nature of the major demands. These will be referred to by issue in the ensuing discussions.

Introduction to the Issues

The merged University of Wisconsin system operated during the 1971-73 biennium with two premerger administrations and budgets. Leonard Haas, the chancellor of the former Wisconsin State University at Eau Claire, took a leave of absence to become the UW System Executive Vice President under John Weaver. Vice President Donald Percy was given responsibility for developing the systemwide operating budgets and Vice President Robert Winter, former deputy to Eugene McPhee in the former WSU System, was put in charge of preparing the capital budgets. From the moment the merger bill passed, state government mandated that the principal mechanism for dialog between the UW System and state government should be the budget process.

After the first year of the merger Leonard Haas returned to the Chancellorship of UW-Eau-Claire, Donald Percy became the Senior Vice President for Administration and Donald K. Smith joined the staff as Senior Vice President for Academic Affairs.

During the first years of the merger, the Board of Regents did not actively dispute the blurring of policy boundaries between the state and the University system. The carry-over Republican Regents had failed to prevent the merger and perhaps felt that continued opposition to the Governor would seem unduly partisan. Perhaps the Republican Regents also wanted to see where the Governor's effort might lead.

TABLE VI

ISSUES AND DEMANDS IN THE 1970'S

Issue Category	Issue	Initiator	Accomodator	Demand
Governance	Accountability (The budget process 1973-75, 1975-77, 1977-79)	State	UW System	Maintain the quality and extent of existing services, meet new needs, and resolve internal conflict given fixed state support.
Governance	Accountability (The budget process.)	State	UWS Central Administration	Represent the state to higher education. Cenralize decisionmaking.
Governance	Accountability (Government regulation, 1202 Commissions)	State and Federal	UWS System	Demonstrate compliance with govermental regulations and objectives.
Governance	Shared governance (collective bargaining)	UWS Faculty	UW System	Represent higher education to the state. Assure faculty participation in institutional and system decisionmaking and provide adequate compensation and security for faculty and staff. (a) Via shared governance without collective bargaining. (b) Via collective bargaining.
Governance	Autonomy	UWS Institutions	UW System	Represent higher education to the state; establish a high degree of institutional autonomy, and assure adequate and equitable financial support.
Governance	Autonomy (Private colleges and universities)	Private Colleges and Universities	State	Preserve the independence of private institutions. Avoid associating the private sector with the University of Wisconsin System.

TABLE VII

ISSUES AND DEMANDS IN THE 1970'S - Continued

Issue Category	Issue	Initiator	Accomodator	Demand
Financing	Student Aid (Student Aid)	Federal	State	Support student access and choice among a broadening array of public and private post-secondary institutions.
Financing	Low Tuition (Tuition)	UWS Students	State	Maintain low cost access for all students.
Financing	Student Aid (Student Aid)	Private Colleges and Universities	State	Move closer to equalizing student's cost of attendance in public and private institutions.
Financing	Student Aid (Student Aid)	Proprietary	State	Admit students attending proprietary institutions into state tuition grant programs.

The Governor had unparalleled opportunity to monitor the system's 1973-75 biennial budget preparation from its inception to final legislative passage. The process began with detailed budget instructions prepared by the state Department of Administration in the early spring of 1972. Instructions received by the system were identical to those received by all state agencies. These stressed base budget review, mandated 2.5 percent productivity savings each year of the biennium, and asked that the UW System's lowest priority programs, equivalent to 10 percent of program offerings, be identified and that proposals be developed, where possible, for phasing out these programs and reinvesting saved funds in higher priority programs.

As noted earlier, the passage of merger resulted in a flood of questions and probes from the new Democratic administration. These questions reflected deep skepticism on the part of the state government toward traditional academic positions on basic issues such as institutional autonomy, institutional missions, instruction, research, public service, higher education financing, tenure, and faculty pay. The essence of the state's expectation was that these policy positions should be rejustified by the UW System central administration.

On June 13, 1972, Governor Lucey sent a letter to President Weaver outlining some of his suggestions for UW System priorities in the 1973-75 budget.

> As Wisconsin's first four-year Governor, I have the opportunity to work with you well in advance of your 1973-75 budget requests -- on important public policy issues that should be resolved in the 1973-75 state budget. This will help you examine more fully policy alternatives and prepare a budget consistent with statewide needs and fiscal limitations...
>
> 1. Milwaukee Mission ... "Specifically, I would like your budget request to indicate numbers of 'new market' students (i.e., 'minority students, working persons, housewives, etc...') now being served, how many additional 'new market' students will be served in the biennium, and what type of programs the campus has or plans to have to meet the needs of these students. Since the UWM campus is the logical location to handle such needs, these students should be given priority over others in the region who could more easily attend another institution.

2. Budget and Tuition Policy ... "As a matter of board policy, I believe the state support behind a student should be the same as in other units for comparable levels and disciplines. Budget and tuition policies should move in this direction...The constitutionality of non-resident tuition charges has been under challenge in the courts for several years. Recently, I signed into law the 18 year old age of majority bill which is certain to have an impact on court determinations of the legality of non-resident tuition statutes as they currently exist. It would be my hope that the University, in cooperation with the Higher Educational Aids Board and the Department of Administration could develop alternatives to our current statutes to insure that Wisconsin would not face a financial crisis due to the loss of non-resident tuition, and to protect the right of Wisconsin citizens to attend a University system built and primarily supported by state tax dollars...

3. Geographic Distribution of Students...Some campuses, in particular Madison, seem to be operating at full capacity or beyond, while others have very high costs due to their small size. The present system does not encourage maximum utilization of state resources because there is no mechanism for influencing the distribution of students among the campuses...

4. Teacher Surplus... One of the important functions of the former state universities was to train elementary and secondary school teachers and support personnel. Recently, questions have been raised as to whether the continuation of such a policy will only result in larger and larger surpluses of such personnel who cannot then be absorbed into the economy. If this is the case, continued teacher training is a misallocation of state resources which should be corrected...

5. Manpower Needs... I would also like an evaluation of how well the manpower produced by the University relates to demand, and what changes are needed to make this process more effective and responsive...

6. Preventive Maintenance of Chapter 37 Campuses... (former Wisconsin State University)... I would like the system's budget request to include specific recommendations for a program to ensure good maintenance of the campuses...

7. Coordination of Programs... The merger of higher education in Wisconsin provides a major opportunity for eliminating duplicative programs among our collegiate institutions. One of the main tenents of merger is the development of a rational organization for education administration and program development...a continuing problem is growing in the area of coordination between the UW system and Vocational, Technical and Adult Education... In some instances the vocational schools are overcrowded and planning new building programs at the same time that the center system campuses are experiencing decreasing enrollment.

8. New Structure for University of Wisconsin Extension... I am concerned that in many instances the campuses have become isolated from their communities, and have relied solely on the activities

> of University Extension to bring the resources of the campus to the state. I hope that consideration would be given to a new organization of University Extension services placing primary responsibility on the individual campus and faculty member for bringing specialities to bear on the problems of the community. I feel that University Extension should be a function and not necessarily an organizational unit...
>
> 9. Minority and Disadvantaged Students... Recently, the Ad Hoc Committee on Programs to Assist Minority and Disadvantaged Students reported on the need to increase the number of minority students on University of Wisconsin campuses and to improve the programs available to them. I feel that it is important for the University to begin implementing the objectives of the report as soon as possible and I would expect an evaluation of the recommendations together with a positive program for implementation to be a part of the 1973-75 budget request...
>
> 10. Undergraduate Instruction... I expect that the trend towards improving undergraduate instruction will continue and will be expanded in the 1973-75 period. Your plans and programs for achieving higher quality in undergraduate instruction should be a major segment of your budget request...
>
> In the spirit of broad citizen participation in the formulation of public policy, I urge you to consult with affected citizens and groups, where appropriate, in making these policy studies.

Governor Lucey's rhetoric was in compliance with the progressive traditions of the state, and his requests, backed by the power of the purse, advocated actions on the part of the University System that conformed with the tenents of the Wisconsin Idea. But there was also some presumption of guilt in his words; also associates of the Governor were often less diplomatic in their demands and presumed even more guilt. Some were advocating the elimination of tenure as a prelude to incorporation of a "better" system; others were suggesting campus and program closings based on "obvious" over-building during the 1960's, and sharp deemphasis of university research (much research was perceived to be mainly for the entertainment of the researchers). One long-time supporter of Governor Lucey, Jim Jung, the head of the state's Higher Education Aids Board, was pushing fundamental changes in the system of financing public higher education. With the help of UW economist W. Lee Hansen, he promoted the HEOP voucher idea advocated by the Kellett Commission, and later the Wisconsin Guaranteed Higher Education Plan, which featured income-contingent loans.

An informal mechanism that evolved for interaction between the state and the UW System throughout the Lucey years took the following form: State government officials and advocacy groups of various kinds, including university constituents, during the course of their own interactions with the system administration would test compliance with favored values and interests. If substantive obstacles were perceived to exist, these would be reported to the Governor, who, in turn, if he thought the matter worthy of UWS reaction, rephrased criticisms into questions in letters addressed to either President Weaver or the president of the Board of Regents. The system's usual response was to research the Governor's suggestions and then either accommodate him or present contrary evidence. Thus, the UW central administration served, in a sense, as a political buffer for state government initiatives. If a suggestion was accepted, the Governor could point with pride; if not, he could either view the system's action with alarm or make a tactical retreat. There often seemed to be a recognizable correlation between policies adopted by the University system and the gubernatorial initiatives. But there were sometimes sharp disagreement, particularly toward the end of Governor Lucey's period of service.

Institutional Autonomy

Meanwhile, within the new system it became increasingly clear that merger by itself did not resolve the divisive issues that existed earlier. The state universities wanted a larger share of available resources; the Madison campus worried about the possible dilution of its program support and the possible systemwide dissemination of nonstate resources, especially those provided by the University of Wisconsin Alumni Research Foundation for UW-Madison based research.[2] The various faculty organizations, particularly TAUWF, wanted substantial growth in faculty pay and influence.

One issue that caused a great deal of concern among UW System chancellors after the merger was the relative funding of institutions with Ph.D. programs and large graduate schools and institutions whose primary mission was undergraduate instruction. This issue was largely resolved during the deliberations of the Merger Implementation Study Committee in 1972-73. It was decided, with approval by the Governor, that all campuses should be clustered according to type for funding purposes. Thus Madison and Milwaukee became the doctoral cluster, the rest of the state universities, including the former UW institutions at Green Bay and Parkside, became part of the "University Cluster." Extension, which later assumed responsibility for the two-year Centers, ultimately became a third cluster. This quieted earlier conflict among the WSU and UW universities, particularly after the system administration adopted a methodology for establishing cluster-wide standards for student support levels.

Another issue was how to deal with enrollment declines that occurred at several of the university cluster schools during the period 1972-74. Institutions that lost enrollments were weakened by the combined effects of having to return enrollment funding when actual enrollments did not reach projected levels, and simultaneously return 2.5 percent of state appropriations for instruction in each year of the 1973-75 biennium to demonstrate improved productivity. The UW System dealt with this issue by declaring a fiscal emergency and shifting resources from the institutions that continued to grow to the endangered insitutions. This in turn eroded per student support at growing institutions like UW-Madison and UW-Eau Claire. The issue did not become a long lasting focus of contention among the UW System institutions, since enrollments generally resumed their upward course throughout the system after 1974.

Another worry among the Chancellors was that they would not have full control over resource allocations among programs already existing at their institutions and that the process for approving new programs would become exceedingly cumbersome. Under CCHE, the institutions had to seek approval of all academic majors, minors, and course sequences. There was some fear that this procedure would be followed by the system central administration after merger; and when central froze all new academic programs in 1973-75 as a prelude to implementing academic program audits, the chancellors became worried. After negotiating with central, the chancellors were accommodated. The CCHE program-approval system was replaced by academic program audits that emphasized internal self-study, tested centrally for compliance with institutional mission and cost-effectiveness standards. Institutions were also allowed to reallocate funds among existing programs to develop peaks of excellence within their institutions. Since merger, program audits eliminated over 70 programs, but over 50 new programs were created. Most important, the university cluster institutions were able to gain approval for undergraduate and graduate degree programs in new fields.

In 1973, Governor Lucey asked if all the university cluster institutions needed graduate schools. It was further suggested all but two of the ten existing programs be eliminated. As mentioned earlier, Central Administration held public hearings at the affected institutions. The public reaction was so severe, including reaction from legislators, that it "literally paralyzed" the legislative process on the merger implementation charter, seriously complicated consideration of the annual budget review bill, and led to public and legislative charges of "insensitivity and mismanagement."[3] Governor Lucey dropped his suggestion.

Collective Bargaining

In September 1975, shortly after becoming the first Lucey appointee to be elected president of the Board of Regents, Bertram McNamara, a labor leader from Milwaukee, said that he could understand denial of funds because of the adverse economic condition of the state, "but I think what really hurt me was the fact that in this budget it appears that the university system--higher education in this state--was treated much more harshly than were the routine administrative bureaus of state government..."

The faculty shared Regent McNamara's concerns. The annual 5.5 percent pay increases in the 1973-75 budget did not keep pace with salary increases for state civil servants and trailed behind the rate of inflation. Faculties at both the former UW and WSU institutions were unhappy, but TAUWF, which represented the former state universities, was the most unhappy. TAUWF did not fully accept the former UW's system of "shared governance," a committee-centered checks-and-balances system where both faculty and administrators had the power to veto. It preferred collective bargaining, reasoning that the state civil servants who were organized collectively were doing better in terms of salaries, retirement, and fringe benefits than faculty members were, and that shared governance really meant little faculty involvement in decisionmaking above the departmental level. In 1973, TAUWF opened a permanent office in Madison and introduced collective bargaining bills in 1973, 1975 and 1977. As Edward Muzik, the current TAUWF lobbyist, recalls, "the harder we pushed the worse we split with central."[4]

Two collective bargaining bills were introduced before the 1975 legislature. One bill was jointly supported by TAUWF, the Wisconsin Federation of Teachers and the AFL-CIO. The other was supported by the UW Board of Regents. The TAUWF bill was patterned after the provisions of the Wisconsin State Employment Labor Relations Act, which applied to collective bargaining on the full range of economic and condition of employment issues and mandated elections among the UW System institutions to determine whether collective bargaining was desirable.

The Regent's bill sought to limit bargaining to economic issues while maintaining a concept of shared governance among faculty, academic staff, and administrators in all other matters. The bill was the product of a Regent's task force that sought, with the aid of a national contest, to find ideas for tailoring collective bargaining to the UW System's statutorily defined, shared governance system.

As the task force envisioned it, the industrial collective bargaining model was inappropriately applied to higher education because faculty members and academic staff were simultaneously employees and professionals with shared management responsibilities. In industry, employees lacked professional status similar to that held by professors. Thus, it was argued, collective bargaining in higher education should pursue the dual status of faculty members by limiting bargaining to economic questions (i.e., salary, fringe benefits, etc...) and guaranteeing an environment conducive to shared governance in other areas. Elements of such an environment would include:

(a) Institutional autonomy and separate missions for each institution.

(b) The tenure system.

(c) Academic freedom and diversity of opinion.

(d) A merit system for salary determination.

(e) A preservation of shared governance and the concepts embodied in Chapter 36, Wisconsin Statutes (1973).

(f) Recognition of the responsibilities and authority of the Board of Regents, Presidents, Chancellors, faculty, the academic staff and the students as expressed in Chapter 36, Wisconsin Statutes (1973).

> A minority report to the Regent task force disagreed. "Restructuring the scope of bargaining to exclude all subjects that might be handled through the diverse mechanisms of faculty governance would hamper successful bargaining by either party. Attempts to limit the scope of bargaining to economic matters only fail to recognize the economic significance of nearly all conditions of employment. Since one of the primary purposes of collective bargaining is to provide organized and structured procedures for

> resolving conflict, it would be unwise to forego the use of bargaining on issues that existing governance structures have failed to resolve...Experience has shown that in negotiations under the National Labor Relations Act when one side or the other wants to bargain on a particular issue, it is eventually bargained, whether or not it is legal under the Act."

In 1975, the Assembly Labor Committee recommended passage of the TAUWF favored bill, but the Joint Finance Committee voted against it. Neither house subsequently considered either bill.

In 1976, TAUWF affiliated with the AFL-CIO. According to sources within TAUWF, most of the membership was more ideologically attuned to the American Association of University Professors (AAUP) than to the AFL-CIO, but it was felt Madison's powerful AAUP chapter would be difficult to deal with as part of a statewide AAUP. Furthermore, the AFL-CIO offered the advantage of expert consultation on collective bargaining. However, one consequence of affiliating with the AFL-CIO was a 10 percent reduction in TAUWF's membership to a level of about 1,800 out of 7,300 faculty members.

In the 1977-78 legislative session, bills similar to those initiated in the 1975-77 session were reintroduced. The Wisconsin Education Association Council (WEAC) also joined the contest with its own bill in a bid to compete with TAUWF for the allegiance of UW System faculty and academic staff. The legislature again failed to take floor action on any collective bargaining legislation. During the session, the UW System withdrew its bill in apparent recognition that bargaining could not be limited to some issues but excluded from others. If limited bargaining was not feasible, then no collective bargaining bill was the preferred alternative. Meanwhile, conflict erupted between TAUWF and WEAC. WEAC, Wisconsin's largest union for elementary and secondary school teachers, was a newcomer to higher education and passage of the TAUWF preferred alternative could all but shut WEAC out of the higher education market.

Key legislative leaders explained their reluctance to support collective bargaining legislation for the following reasons: (1) There did not appear to be mass support for collective bargaining among the UW System faculty and academic staff. According to a survey, faculties at Madison, Milwaukee, and Extension preferred no enabling legislation; however, the faculties of the eleven state universities and the Center System overwhelmingly preferred the right to choose whether they wished to bargain collectively. (2) Even if a majority of the system faculty favored the right to make a choice, some key legislators were skeptical about the extent of support for either TAUWF or WEAC. No single group represented the majority of the faculty. (3) Collective bargaining did not add benefits to faculty beyond those already held under the University System statute describing shared governance. According to its advocates, shared governance provided; (a) faculty participation in review and approval at every level of decisionmaking from the department on up, (b) participation in the selection of administrative officers, and (c) power to select fellow workers and make decisions regarding promotion and pay. These powers are not normally found in union contracts. (4) Finally, TAUWF and WEAC were in conflict before the legislature, thus making it easier for that body to grant neither group's request. Collective bargaining advocates disputed all except the last point and planned membership drives and other renewed efforts to pass the legislation. They were also encouraged by laws passed in other states where similar conditions existed.[5]

A source of general frustration for the faculty was the fact that under the merger there was no mechanism for representing the total faculty at Regent meetings. An attempt has been made to establish a systemwide faculty senate which could develop into an important channel of communication for the faculty, but thus far campus senates have been unwilling to move in this direction.

1202 Commission

Another issue in the first years of merger was the federally-mandated 1202 Commissions. The Higher Education Amendments of 1972 required states to establish, pursuant to section 1202 of Title X (Higher Education Amendments of 1972), comprehensive postsecondary educational planning commissions. These commissions were intended to facilitate cooperative federal and state planning for postsecondary education. The first draft guidelines prepared by HEW on December 4, 1973 seemed to go far beyond the intent of legislation in prescribing membership composition and missions for the 1202 Commissions. Charges of federal control were raised from many quarters. Public higher education officials, including UW's President John Weaver, feared that the Federal Government was limiting state-level options by promoting "free market" financing (i.e., student aid and loans) at the expense of low tuition and institutional subsidy programs. There was also resentment against the Federal Government's presumption that adequate postsecondary planning mechanisms were nonexistent at the state level. On February 1, 1973, a second set of toned down guidelines was unofficially released by HEW and ultimately published in the proceedings of the Special House Subcommittee on Education. Under these guidelines, states were allowed wide latitude in defining the purposes and membership composition of the 1202 Commissions. However, the principal significance of the legislation was preserved in the second version. "Highly significant was the shift in emphasis from higher education to postsecondary education. This introduced new possibilities and new uncertainties at a time when many institutions were already troubled by reduced growth rates, mounting inflation, and restricted budgets."[6] On March 1, 1974, U. S. Commissioner of Education, John Ottina, wrote a letter to the governors informing them that $3 million was available for grants and technical assistance to section 1202 state commissions but that states were not required to establish these commissions unless they wanted to apply for funds.

Early in 1973, Governor Lucey asked Jim Jung, Executive Secretary of HEAB, to develop a 1202 Commission recommendation for Wisconsin. Jung and his staff were active participants in the development of national-level legislation pertaining to student aid and followed the development of the original HEW guidelines. Jung's advice to the Governor was to change the membership of the HEAB to include a representative of proprietary institutions and then designate HEAB as the state's 1202 Commission.

Neither the University of Wisconsin System nor the State Board of Vocational, Technical and Adult Education savored the idea of HEAB's becoming the 1202 Commission. In their view, this might in the long run merely create another board on top of merger as well as the vocational, technical and adult education system. Consequently, the UW System and the VTAE boards prepared a joint recommendation to the Governor.

The joint UWS-VTAE proposal, which was passed by both boards, would have established a commission representing the UW Regents, the VTAE board, the private sector, the proprietary sector, the Superintendent of Public Instruction, and public members appointed by the Governor. This body would limit its attention exclusively to Section 1202 and Title X (community colleges and occupational education) and Section 404(b), the Fund for Improvement of Postsecondary Education. It would not exercise the "Christmas-tree" option of Section 1203 (comprehensive statewide postsecondary planning), Section 105 (community service and continuing education), Section 603 (undergraduate instructional equipment), and Section 704 (academic facilities). The latter two were already the responsibility of HEAB. Furthermore, it was recommended that staff for the 1202 Commission be donated on a project basis by the participating institutions.

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Given the united opposition of the state's two public postsecondary systems to designation of HEAB as the state 1202 Commission, the small amount of federal funding involved, and the availability of the option not to take any action, Governor Lucey decided that Wisconsin did not need a 1202 Commission. Wisconsin remains one of only four state's in the nation not having such a body.

Government Regulation

Government regulation in and of itself at both federal and state levels was increasingly an issue during the middle 1970's. In July 1975, HEW's Office of Civil Rights threatened to withhold $11.6 million in federal funds from UW-Madison because of alleged failure to comply with federal affirmative action standards in hiring women for faculty and administrative posts. After submitting a great deal of data, which in effect said that actual hiring of women from pools of potentially available candidates exceeded federal standards, the federal money was released.[7]

Researchers generally found the environment of the early and middle 1970's difficult. One reason was that often inexperienced state government agencies became heavily involved in the evaluation of research as a result of the Republican Administrations revenue sharing program. In some ways, this transfer parallels federal activities in the area of student aid, in that the state was given a role in assuring compliance with federal policies and standards through increased involvement in the regulatory process. In Wisconsin, statewide review boards were created in areas such as health care, where the state took a close look at facilities, services, and training. Wisconsin's Environmental Protection Act mirrored similar federal acts and required that staff be hired to assure compliance with state and federal regulations. This increased the cost of doing research. In addition "environmental impact" reports had to be filed on all major research projects. A

Biological Safety Office had to be created within UW-Madison, which included a physical and radiation safety staff as well as veterinarians and pathologists to certify the quality of holding conditions for laboratory animals. This kind of regulation was repeated in many fields and at the same time faculty members were held responsible to the Veteran's Administration for daily attendance and mid-term flunking in classrooms. The federal Office of Management and Budget established tight regulations for inventory control and the Office of Civil Rights insisted that affirmative actions be certified among research staff.

Senior researchers at UW-Madison estimated that one-half of their time was spent proving that they were in compliance with federal and state regulations. State involvement was especially cumbersome because state officials lacked knowledge about what they were dealing with and therefore tended to seek self-protection through over-regulation. One researcher expressed nostalgia for the middle 1960's when, as he recalled, funding agencies held researchers accountable for results. During the 1970's he felt that success was not as important as documenting compliance with regulations. He also saw irony in the situation where increased regulation drove the cost of doing research so high that many researchers could not afford to undertake small projects; while some branches of the Federal Government such as OCEA, EPA, and the Nuclear Regulatory Commission were adding many new regulations, others, including OMB, NSF, and NIH, were complaining about the increased cost of doing research.

With increased demand for regulations came increased numbers of audits. At the federal level, HEW, the Department of Defense, the General Accounting Office, and the Office of Management and Budget each had auditing departments whose scope was university-wide. At the state level, the Department of Administration, in addition to its general involvement in the development of University System academic and budgeting priorities, frequently became involved in university-federal interactions through its efforts to push as much of the cost of doing research as possible onto federal and nonstate revenues. They therefore initiated their separate audits to promote this purpose. Auditing fever seemed to spread to other state agencies and the legislature as well, as was illustrated by the Legislative Audit Bureau's attempt to conduct a performance audit of the UW System's academic programs.

In July 1976, UWS Senior Vice President, Donald K. Smith, in a letter to the state auditor complained about the overall impact of overlapping audits and investigations. At the time the system was dealing with thirty-nine audits: eight by the Legislative Audit Bureau, eight by HEW, one by the U. S. Navy, and twenty-two by the UW System itself.

> One of the general concerns I have...is the increasing and apparent need (by numerous state and) federal agencies to have more and more information on the way in which universities are managed, on their goals and objectives, and on performance evaluations and monitoring; all of this superimposed on similar demands made on this institution by the Board of Regents and Central Administration. My concern is with the escalating workload put upon the campuses by our collective efforts, all undertaken in the name of accountability. As the UW System seeks to evaluate its academic management efforts over the next two years, it will be our intent to try to reduce the impact we have had on increasing this workload by streamling our procedures, delegating responsibility, and perhaps eliminating some steps. If we are successful in this effort, we will reduce the workload, reduce the need for increasing administrative budgets at the expense of instruction or instructional support budgets, and permit the institutions and the faculty to direct more of their energies and resources to fulfilling the purposes of instruction, research and public service for which they were created.
>
> The basic question is, 'When do we reach the point of diminishing returns when the human and fiscal costs of increasingly rigorous and formal processes of monitoring and evaluation exceed the value of any changes or corrections resulting from such processes?' I have an ever increasing feeling that we have reached and perhaps gone past this point of diminishing returns and that we need to give greater emphasis to the concept of delegation... unless this dismal prospect of consuming vast quantities of time and resources, the latter of which is becoming an endangered species, in watching and monitoring each other and with our productivity measures being the number of audits, surveys, and reviews we complete and the number and size of the reports that ensue.

> ...All of us need to be worrying about the increasing fiscal and human costs associated with these activities and the increasing possibility that our zeal for accountability may serve to strangle institutional initiative, inventiveness and innovation which in the past have been the hallmarks of great educational institutions and systems.[8]

Tuition

Perhaps the biggest problem confronting the UW System in 1973 and 1974 resulted from sharp enrollment declines at several of the former Wisconsin State Universities. This resulted in several institutions having to live with a 2.5 percent cut in their base budget each year of the 1973-75 biennium, plus returning enrollment funding monies provided by the state in anticipation of higher enrollments. This necessitated a large-scale faculty layoff, including 82 tenured positions. The faculty layoffs and escalating inflation caused a great deal of insecurity among faculty members throughout the system.

In 1974 and 1975, there was support from all faculty groups that tuition as a percent of the cost-of-instruction should be lowered. Without large enrollments, job security was threatened, and with tuition set at a fixed percentage of instructional costs, faculty would always be in conflict with students whenever salaries were increased.

Institutional chancellors, as well as faculty members and students, worried that recently escalating tuitions had something to do with the enrollment declines. The tuition increases resulted from a silent drift upward in the percentage of the cost of instruction covered by tuition. In the late 1950's, the Coordinating Committee of Higher Education recommended that state resident students contribute no more than 20 percent of the cost of their education.

In 1958, the CCHE stated its underlying policy of student contribution toward the cost of higher education.

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> Public institutions of higher education were established and are maintained because of the traditional American belief in the necessity of educated citizenry, if the American political, social and economic ideals are to be realized. Fees and tuition have purposely been kept low and should continue to supply only a minor portion of the cost. Students should be expected to pay something toward the cost of higher education and there is justification in charging somewhat higher fees for more expensive programs. Fees should not be used as an instrument for controlling the size and character of enrollments in public institutions, rather fees should be kept low enough to maintain an open pathway to all.[9]

Operating from the stated policy, CCHE recommended in 1959 that "the amount of fees charged at state supported institutions should be held at its present level, fees 20 percent, state supported 80 percent.[10] On July 21, 1961, CCHE further stated that:

> The Coordinating Council believes with conviction that the goal of the state of Wisconsin, concerning the impact of the payment of the costs of higher education, should be to seek a return to the historically established principle of free public higher education be gradually reducing the cost to the student, until at some time in the future public higher education becomes available on a virtually free basis.[11]

The policy continued and was reaffirmed. In 1967, both the Governor and the Joint Finance Committee recommended that student fees be adjusted to cover only 20 percent of instructional costs;[12] the CCHE staff also recommended that the state should move toward a policy of free higher education for the first two years beyond high school. In the same year, the Governor, the Joint Finance Committee, and the CCHE reaffirmed the 20 percent figure and suggested the possibility of tuition-free higher education, however, the actual average at the time was 22.5 percent.[13]

As late as 1969, when higher education budgets were becoming tighter, UW President Harrington, the Governor and the Joint Finance Committee reaffirmed the 20 percent to 80 percent ratio. With merger in 1971, the CCHE was dissolved and its functions transferred to the UW Regents.[14]

In July 1972, the UWS Board of Regents approved a 25 percent tuition to 75 percent state support ratio for state resident undergraduates based on costs within each institutional cluster. This ratio was actually adopted during the 1969-71 biennium but was not formally approved until 1972. However, the underlying policy set by the regents, governors, and legislative committees continues to be low or no tuition.

Suspicion among system and institutional constituencies that enrollments could be increased by lowering tuition found reinforcement in a UWS attempt to answer one of Governor Lucey's questions. He observed, "In some instances the vocational schools are overcrowded and planning new building programs at the same time the center system campuses are experiencing decreasing enrollments."

In the summer of 1973, on one month's notice, a three year joint UWS-VTAE experiment was launched. The purpose of the experiment was to determine the extent to which the University Centers and vocational, technical and adult education schools located in the same cities in two different localities (rural Barron County and urban Ford du Lac County) were serving the same student clienteles. To test this, tuitions and fees at the two University Centers were lowered to match fees charged at nearby vocational schools. The results were as follows:

TABLE VII

ENROLLMENT CHANGES AT LOW FEE CENTERS AND NEARBY VOCATIONAL SCHOOLS

1972-73 - 1973-74

	Tuition and Fees		Tuition and Fee Decrease	University Centers Enrollment % Increase 1973-74		Vocational Schools Enrollment % Increase 1973-74	
	1972-73	1973-74	1973-74	HC	FTE	HC	FTE
Barron	$515	$180	$385	23.1	16.1	21.3	23.4
Ford du Lac	476	150	361	47.0	32.0	17.7	10.6

* See footnote 15.

The attached chart compares enrollments at the low-fee centers with the other university centers that did not lower their fees.

In answer to the Governor's question, it appeared that the University Centers and the vocational technical schools were in fact serving different clienteles and that higher tuitions did create barriers for those wishing to attend the University Centers.

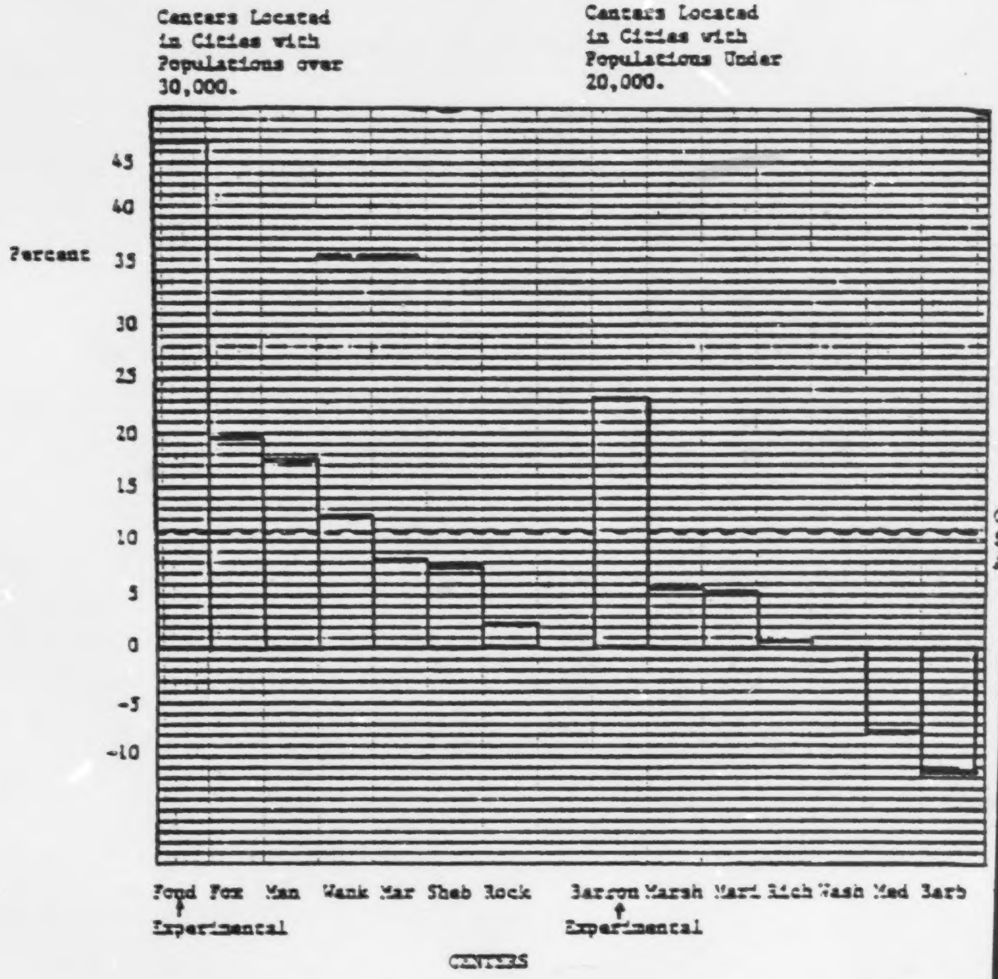
The constituencies served by the Centers were somewhat unique. Most of the students were from large families living within commuting distance to the centers. These families had roughly equivalent incomes and neither group of parents had typically attended college. Another type of student was married and had dependents. Perhaps for these reasons, the tuition reductions did not appear to have a major impact on nearby public and private four-year institutions; because of the relatively high family incomes, student aid did not appear to be a factor. With the tuition decreases, enrollments increased immediately and then plateaued until the experiment was concluded in 1976-77 and tuitions of the experimental centers were increased to match those of the other UW Centers. Enrollments then declined sharply at the experimental centers.

The Carnegie Council and the Higher Educational Aids Board did not think much of the low-fee experiment. In Low or No Tuition, the Carnegie Commission suggested that the enrollment increases at the experimental centers merely robbed other institutions.[16] However, within the system central administration, this and other factors influenced the Board of Regents to propose in the 1974 annual budget cutting in half the 25 percent of instructional cost rate on which tuitions were based.

There were other factors influencing the tuition cut. Before merger, and as part of a backlash against anti-Vietnam activities among students, the legislature set a limit on the number of nonresident students who could

FIGURE 3

ENROLLMENT CHANGES AT URBAN AND RURAL CENTERS FROM 1972-73 TO 1973-74



be enrolled in Wisconsin colleges (15 percent), and mandated that nonresident students should pay tuitions equal to 100 percent of instructional costs. Several of WSU universities located near the borders of Minnesota and Illinois that charged lower nonresident tuitions believed that part of the enrollment decline was attributable to the higher nonresident fees. After merger, at a time when the staff of the Higher Education Aids Board was advocating state adoption of a high tuition-high student aid program to compensate for rising tuitions, the legislature was persuaded to request that a tri-level tuition and fee schedule be established during the 1973-75 biennium. This meant that there would be different tuition charges for freshmen and sophomores, juniors and seniors, and graduate students. The Regents debated the wisdom of this approach, but adjusted tuitions in the direction of the tri-level fee system. Combined with a decision to include depreciation for instructional buildings in the cost of instruction base, this resulted in substantial tuition increases for juniors and seniors and graduate students, and further discontent among institutions that lost enrollments. Furthermore, as was learned from the experience that student financial aid increases did not match increases in tuition. When the Regents met to consider the 1974-75 tuition and fee schedule, the legislature added nearly $4 million to the institutional cost base.[18]

In the 1975-77 biennial budget request, the Regents, returning to the precedents of past state tuition policy, asked that tuition rates be cut in half. Another considered alternative was that the University's subsidy be set at the same rate as that of vocational, technical and adult education or about 13 percent of instructional costs. There was nationwide reaction to the Regent's proposal. The Secretary General of AAUP, Joseph Duffey, said, "We regard the Wisconsin situation as a significant breakthrough." AAUP further adopted a resolution to support lower tuitions at public and private universities.[19] The President of Stanford, however, viewed the Wisconsin development as a hostile act toward private higher education.

Governor Lucey rejected the UW System proposal. A stated reason was that enrollments resumed a general increase in 1974, therefore, tuition levels did not seem to be a problem. The Governor also mandated that the VTAE institutions establish tuitions, initially set at $200 per year. One compensating development for public higher education was the extension of tuition reciprocity, which had previously been limited to a few Minnesota border institutions, to include all Wisconsin and Minnesota schools. Wisconsin benefitted from a favorable balance of trade in this arrangement. In 1977-78, UW-Madison's state resident undergraduate tuition ranked at the bottom of the Big Ten, and was nearly identical to the tuition rates at the state universities. However, on a nationwide scale Wisconsin state university tuitions ranked eleventh, while tuitions charged nonresident students were the highest in the nation (see Appendix A).

Student Aid

Declining enrollments, the results of the low-fee experiment, rising tuitions, uncertainty about state student aid system, and rising faculty concerns over job security all contributed to renewed efforts on the part of the UW Central Administration to fight for low tuition. However, federal and state programs reflecting concerns about the welfare of private institutions were creating arguments for moving tuition in the opposite direction.

Beginning with the passage of the Higher Education Facilities Act of 1963, federal actions reflected concern that private higher education had been largely left out of the national effort to expand access to serve the growing wave of war babies. The 1963 Act opened the door to private sector participation by allowing private institutions to compete for federal facilities funds, and as a condition of state participation in the federal facilities program, private colleges had to be represented in state-level facilities planning activities for the use of funds available under Titles I (undergraduate education) and II (graduate education) of the act.

Democratic Governor John Reynolds, over a philosophical objection of the Harrington administration, responded by creating the State Commission for Academic Facilities in August 1964. The Commission was comprised of five citizens and five representatives from each of the state's public and private nonprofit postsecondary education sectors. Representation from the public sector was divided among colleges, universities, and vocational schools, which together enrolled over 80 percent of the state's postsecondary students. Private sector representation was limited to colleges and universities.

Passage of the federal Higher Education Act of 1965 provided that students attending both public and private institutions should have access, on the basis of need, to federal student aid programs. Again the requirement for state participation was state adoption of representation similar to that mandated in the 1963 Act. Republican Governor Warren Knowles responded by creating the Governor's Scholarship and Loan Commission. In the same year, this commission and the Commission for Academic Facilities were abolished and replaced by the State Committee for Higher Education Aids (HEAB). The new committee also assumed responsibility for the state's existing Student Loan program and the composition of its board maintained the 5-5-5 distribution of the earlier Commission on Academic Facilities.[20]

The same year saw the creation of the Wisconsin Association of Independent Colleges and Universities and the beginning of its efforts to expand state student aid and to create a tuition grant program to equalize the costs of attending public and private institutions.[21]

The Harrington administration's objection to involving the private sector in state planning bodies was based on the belief that adequate higher education opportunity could best be guaranteed through the development of public institutions, because private institutions for the most part preferred to remain small and, therefore, were not well suited to expand and provide the same services as public higher education. President Harrington was particularly active during the middle 1960's as a developer of federal legislation that promoted low tuitions and the development of higher education institutions. At that time, he served as chairman of the National Association of State Universities and Land-Grant Colleges (NASULGC) Committee on Education and later, in 1968-69, as the association's president. NASULGC advocated the philosophy of Herman Wells, a former president of the University of Indiana, who "like Clark Kerr today, was acceptable to the elite,"[22] and Russell Thackery, the executive director of NASULGC. These and other public higher education leaders influenced the administrations of Presidents Truman through Johnson by promoting government aid to institutions, the expansion of access through low tuition (zero tuition for the first two years of college was one idea), and the development of community colleges. The nation's private colleges and universities for the most part favored student aid over institutional aid.

Private higher education was not entirely excluded from institutional aid according to the "land-grant" philosophy. However, inter-sector disagreement over institutional aid was similar to that which currently afflicts student aid. Compared to their public counterparts, private institutions expected proportionately greater shares of government support due to their greater overall dependence on nongovernment funding. When the Nixon administration assumed office, it expressed little interest in further investment in higher educational institutions and preferred student aid. Thus, the land-grant philosophy lost much of its former influence over national policy.

After the departure of Fred Harrington from the UW presidency in 1970, the UW System became preoccupied with the merger and, therefore, turned its attention inward. The Weaver administration, while still supportive of low tuition, felt pressured to rejustify it in Wisconsin and, therefore, did not heavily involve itself in shaping federal legislation.

Meanwhile, the staff of the Higher Education Aids Board (renamed in 1967) became increasingly critical of low tuition financing and turned to the ideas of UW-Madison economist W. Lee Hansen and others who believed that low tuition was inequitable and that reduction in government support for higher education was inevitable, given the nation's new mood of fiscal conservatism and the growth of competing priorities for public investment. Instead of low-tuition access to public postsecondary institutions, the student aid advocates preferred student vouchers provided on the basis of the individual student's and his or her family's ability to pay the cost of attending college. Vouchers would be targeted on students from low-income families, and loans, among them income dependent (contingent) loans with long repayment periods, would be made available to students from more affluent families. Such financing would reduce the need for institutional subsidies and allow freer competition between the public and private institutions. Furthermore, it was argued that low tuition was inequitable, in that it provided disproportionate subsidies to students from affluent and middle-income families, thus placing truly needy students at an even greater disadvantage.

These views were reflected in a major recommendation made by the Kellett Commission in 1970; namely, that the state should adopt the Higher Education Opportunity Program (HEOP) - described earlier.[23]

Policies actually adopted by the HEAB Board did not advocate changes as basic as those recommended by the Kellett Commission or the HEAB staff; Board Report No. 90, "Student Financial Aid Policy Review," adopted in October 1968, with minor exceptions continues to direct HEAB policy decisions.[24]

A major priority according to this document, was the elimination of economic barriers to student choice among public and private postsecondary institutions through equalization according to the individual student's financial need, and the cost of attending alternative institutions. But the HEAB Board did not stress the elimination of instructional support for public institutions. However, the HEAB staff continued to look on the state institutional support as a source of funds that could be better used as student aid.

Passage of the Federal Higher Education Amendments of 1972, with its massive funding for the Basic Educational Opportunity Grant (BEOG) and Guaranteed Student Loans (GSL), and the incentive for state matching efforts provided by the token funded State Student Incentive Grant program (SSIG), reinforced the perception among many in Wisconsin that national policy favored student financing. Pragmatically, however, the availability of large-scale federal student aid tempted state governments to consider the availability of federal aid when deciding about the use of the state's own resources. Another significant feature of the Federal Higher Education Amendments of 1972 was that they expanded the boundaries of federal concern to encompass all public and private postsecondary education, including for-profit proprietary schools. If proprietary institutions obtained state accreditation, students attending them became eligible for BEOG grants and GSL loans. Furthermore, the legislation made no reference to prices charged by institutions. Because BEOG and GSL funds flowed directly to students, and reference to institutions was limited largely to needs analysis procedures, a clear definition of appropriate response to the federal legislation at state and institutional levels was absent.[25]

The lack of clear boundaries to what appeared to be a national entitlement program seemed to strengthen the credibility of student aid advocates who argued that tuition levels were a relatively minor concern and that student aid could more efficiently displace institutional support.[26] More student grants and loans were needed, particularly at the state level.

On January 17, 1974, Jim Jung, HEAB's Executive Director, presented a proposal that included the latter argument to a special legislative subcommittee on Higher Education Finance. The proposal was motivated by a perceived emergency resulting from a series of court decisions that raised doubts about the legality of nonresident tuition at public colleges. (Recall one of Governor Lucey's ten questions to President Weaver) To meet this potential emergency, which might simultaneously necessitate the elimination of tuition subsidies for all students attending public institutions, as well as provide loans for students from middle-income families, Jung proposed the establishment of a state income-contingent loan program financed by the State Employment Trust Fund. Under this program, students would receive public subsidies according to need after leaving college. If nonresident tuition became illegal, then state resident tuitions at public institutions could rise and state funds formerly used to subsidize the cost of instruction at these institutions could be used to support need-based grants and loans. This program was called the Wisconsin Guaranteed Higher Education Plan (WGHEP).

Essentially, WGHEP drew attention to the fact that existing federal and state student loan resources were too limited to extend support beyond low-income families. To raise additional loan funds, Jung proposed that the HEAB borrow at an interest rate of 7 percent from the trust fund and then relend to students. State general purposes revenue would be used to cover defaults (estimated by the HEAB staff as 3 percent of loans outstanding) and for other limited purposes.

The suggestion to the legislature was that great savings in state tax dollars could be realized as a result of possibly unavoidable reductions if nonresident tuitions at state-supported institutions were declared to be illegal. In such an event, the state would either have to subsidize instruction for all resident and nonresident students or withdraw state subsidies from both.

Public testimony in response to the WGHEP idea was largely negative. The principal immediate problem was that the State Employees Trust Fund was unwilling to lend, especially at the 7 percent level, thus there was no immediate source of available capital for the program. University of Wisconsin System spokesmen, including Senior Vice President Percy, UW-Madison Chancellor Edwin Young, Professor Penniman Chairman of the UW-Madison's prestigious University Committee, and Edward Muzik, president of TAUWF, attacked the idea on philosophical and practical grounds and raised doubts about the inevitable elimination of nonresident tuitions.

Representatives of the state vocational, technical and adult education system and various minority and student groups echoed these sentiments. Robert DeZonia, the representative of the Wisconsin Association of Independent Colleges and Universities, supported the WGHEP concept but felt that the idea needed further development before being implemented.

The special legislative subcommittee rejected the WGHEP program reasoning that the plan:

> (1) Would increase student indebtedness; (2) make it easier to increase tuition; (3) lead to the abolition of grant programs; (4) utilize state tax dollars for income protection and interest subsidies for students who had completed their education; and (5) use state tax dollars to prevent defaults and bankruptcies by students, although the state is already protected against defaults and bankruptcies by the federal government.[27]

The HEAB staff defeat did not affect the rapid growth of state grant and loan programs; indeed, the same legislative committee recommended two HEAB proposals that were implemented shortly thereafter. These included consolidation of a number of smaller programs, including the state's only merit scholarship program, into one large need-based Wisconsin Higher Education Grant Program (WHEG). In the process, this eliminated the merit concept in state financial aid available to students attending public colleges. The consolidation did not include the Tuition Grant Program for students attending private colleges.

The legislative committee also recommended changes in the administration of HEAB's grant's program. These changes prohibited HEAB from establishing limits on the amount of grants a student could receive from federal and institutional resources, but allowed the establishment of uniform need determination procedures to limit the amount of funds received from the WHEG program. This enabled increased coordination between federal and state student aid programs, encouraged simplification of the student-aid application process, and ultimately strengthened arguments for closer linkages between federal and state student aid programs.

Table VIII shows the rapid growth of state student grants, state student loans, federally guaranteed private loan programs between 1965-66 and 1976-77.

TABLE VIII

GRANTS AND LOANS ADMINISTERED BY THE WISCONSIN HIGHER EDUCATION AIDS BOARD

	State Grants	State Loans and Federally Guaranteed Loans Managed by HEAB
1965-66	283,847	N/A
1966-67	1,798,804	2,845,918
1967-68	2,218,294	6,493,612
1968-69	2,982,631	12,200,378
1969-70	3,316,407	14,469,697
1970-71	3,595,025	17,730,404
1971-72	4,265,986	20,679,630
1972-73	6,312,389	24,178,001
1973-74	11,395,795	23,167,545
1974-75	13,354,160	29,187,102
1975-76	16,461,985	33,377,255
1976-77	18,450,525	37,230,500

Grants include all HEAB administered student grant programs. Loans include the State Student Loan Program and the Wisconsin Higher Education Corporation's federally guaranteed private lender program which is administered by HEAB.

Source: State of Wisconsin Higher Education Aids Board, Activity Report: 1976-77 Academic Year, page 2-3.

Passage of the Higher Education Act of 1976 provided federal financing for state implementation of the federal acts of 1965 and 1972 by providing a one percent federally guaranteed loan allowance, with a guarantee capacity of up to $1.5 million to the Wisconsin Higher Education Corporation, a subdivision of HEAB, thus providing a federal base of support for state student aid activity. Perhaps more significantly, the legislation forged a new link between the federal programs of 1972 and that state's own student aid programs.

The Keppell Task Force was another example of federally supported activity in the area of increased program integration, and the HEAB staff was actively involved in this effort to develop a simplified needs-analysis system to facilitate the coordination of all federal, state, and institutional student-aid programs.[28] Wisconsin was one of the first states to adopt the Keppell system and now uses a single financial aid form (FAF) to coordinate the awarding of federal, state and institutional student aid to both state and institutional levels. Thus, HEAB emerged at the center of an integrated postsecondary education finance system whose annual expenditures in Wisconsin totaled nearly $82 Million in 1976-77.[29]

As can be seen from Table VIII, state student aid, as compared to federal aid, flows more disproportionately toward private institutions. This is because the state's programs, particularly the Tuition Grant Program, are more sensitive to tuition differences between public and private institutions. This tilting of aid toward the private sector was justified by HEAB's basic policy document, Policy Paper #90, which encourages movement toward equalization of public subsidies for needy students attending both public and private nonprofit institutions. In the case of grants, this combined with the use of a national model needs analysis system that seeks to fill unmet need, calculated on the basis of institutional price and student and/or family income allowed the ceiling of family income eligibility to be higher and state grants to be larger for students attending private institutions. This also meant that a larger proportion of students attending private institutions would be eligible to receive grant aid. In 1976-77, 62.6 percent of state resident undergraduate students attending private institutions in Wisconsin received Tuition Grant Awards averaging $754, and paid tuition averaging about $2,200, while in 1975-76 (the only year with roughly comparable information), 20.2 percent of state resident undergraduate students attending public universities received WHEG grants averaging $234 and paid tuition and fees of about $500.[30]

WHEG grants available both to students attending public and private institutions are generally targeted on students from lower-income families than is the case with Tuition Grants. WHEG distributions by family income categories are described in HEAB's recent Board Report #79-1; however, detailed information concerning the income distribution of student grants and loans among all students is not available.[31]

The foregoing discussion of the development of state student aid programs in Wisconsin since 1965 demonstrates how federal legislation influenced its growth and reshaped state policy on the question of college access. As a HEAB staff member states it:

> "When the Federal Government did something, we were in a position to carry out what the feds were asking for. Whenever they initiated something new, we were able to take a step forward. Any state that has been willing to take advantage of the opportunities provided by the federal initiatives has been able to develop a successful student aid program."

The leadership of the student aid movement in Wisconsin interpreted federal legislation as national policy and successfully persuaded state

TABLE IX

FEDERAL, STATE AND INSTITUTIONAL STUDENT AID UW SYSTEM AND PRIVATE COLLEGES AND UNIVERSITIES 1967-77

	Enrollment	Federal			State			Total			Institutional & Other	Grand Total
		Grants	Loans	Work-Study	Grants	Loans	Work-Study	Grants	Loans	Work-Study		
UW System	143,440 86.2	$18,459,491 85.6	$7.300,406 90.1	$7,448,025 92.1	$8,550,587 56.2	$6,706,564 75.0	-	$27,010,078 73.4	$14,006,970 82.2	$7,448,025 92.1	$3,360,451 50.0	$51,825,524 75.5
Private Colleges & Universities	22,921 13.8	3,110,796 14.4	801,048 9.9	635,114 7.9	6,655,167 43.8	2,230,178 25.0	-	9,765,963 26.6	3,031,226 17.8	635,114 7.9	3,368,527 50.0	16,800,830 24.5
Total	166,361 100.0	21,570,287 100.0	8,101.454 100.0	8,083.139 100.0	15,205,754 100.0	8,936,742 100.0	-	36,776,041 100.0	17,038.196 100.0	8,083.139 100.0	6,728,978 100.0	68,626,354 100.0

Sources: State of Wisconsin Higher Education Aids Board, Activity Report 1976-77 Academic Year.

Note: Data is taken from HEAB's Wisconsin Student Support Information System (WISSIS). HEAB adds the following note on the limits of the data. "It is important to note that the source of WISSIS data is the financial aid packages awarded by individual institutions to the extent that some aid is delivered outside the structure, WISSIS understates the total aid picture. This understatement occurs in such state programs as Tuition Grant and Guaranteed Student Loans and in such federal programs as the G.I. Bill and Social Security. For example, over $24.7 million in guaranteed student loans were made by participating private lenders in 1976-77, but only $2.8 million is accounted for in WISSIS. If the full amount of GSL activity is taken into consideration, total aid awarded in 1976-77 approximated $104 million of which 52% was in the form of grants, 40% in student loans and 8% in work study."

policymakers in many areas to share their broad view of the intent of that policy. For example, in 1965 the state accepted federal conditions that mandated private college participation.[32] Later, when the Higher Education Amendments of 1972 passed, the purpose of student aid was broadened to allow need-based choice among a wide variety of postsecondary education opportunities. Although state action was not required in this instance, except to obtain extremely limited funding under the SSIG program, student-aid advocates were able to persuade state policymakers to adopt the federal view in state policies.

In the course of this development there was growing friction between the HEAB staff and UW-System administrators and faculty groups. But by the early 1970's, the notions that all state student-aid programs should be accessible to both public and private institutions and that student aid was available to at least partially compensate for tuition increases among public institutions appeared to be generally accepted within state government. Thus, in 1972 the University of Wisconsin System was forced to give up its own $9.2 million student-aid program partially because it did not meet the state's condition of wide accessibility. Similarly, later UW-System proposals to create work-study and community center opportunity counseling programs have not been accepted by the state. HEAB's position has been simple and persuasive in light of evolved state policy. The University System's suggestions were regarded as good ideas but UW administration of such programs would limit service to one student constituency. However, if HEAB administered these programs, all the state's students would be equally served.

While HEAB has been successful in expanding state student aid, occasional efforts to persuade the state to abandon instructional support levels for public institutions or drastically reduce them have not been successful. Neither the Governor nor the legislature renounced the state's basic policy of low tuition for public institutions. However, conflict between HEAB and the University of Wisconsin System over the priority of low tuition has not helped the System in its arguments that the percentage of instructional cost covered by tuition should be reduced. On the contrary, the HEAB staff has publicly argued that tuition should increase.

At the time of the merger, when HEAB's influence in the area of state policy toward postsecondary access was growing, tuition as a percentage of the cost-of-instruction somewhat mysteriously increased from 20 to 25 percent, while at the same time new costs, such as debt retirement for instructional buildings and teaching assistant fee remissions, were added to the instructional cost base. The state also abandoned its policy of zero tuition for the state's public vocational schools in 1974. These moves were justified on the basis of tight state budgets and the availability of compensating student aid.

Until the summer of 1978, the HEAB staff was viewed by the UW System, as well as the state's private colleges and universities, as being a strong advocate of private higher education. However, after July, suspicions were raised within the private sector that the HEAB staff was more interested in the principle of student financing than in the welfare of any particular type of institution. At the July 28 meeting of the HEAB board, the staff asked its board to consider expanding the state's tuition grant program to cover state-accredited proprietary institutions. One precedent for such a move was the fact that state accredited proprietary schools in Wisconsin already had access to the federal Basic Education Opportunity Grant Program (BEOG), Supplemental Education Opportunity Grant Program (SEOG), and the National Direct Student Loan Program (NDSL), as well as the state's District Student Loan and the Guaranteed State Loan Programs. Another precedent was HEAB policy as stated in Board Report #90:

Freedom of Choice

> ...Support of educational diversity by allowing students the freedom to choose educational programs on the basis of their interest and abilities."

Equalization

> Equalization of the instructional subsidy paid on behalf of students thereby ensuring maximum freedom of choice.

With respect to the wisdom of providing grants to students attending profitmaking institutions, the staff paper observed the following:

> "A question can be raised about the wisdom of public policy which would provide grants to students to pay tuition costs, a portion of which includes the owner's profit margin. Should the state, through grants supported by taxpayers, help to subsidize the profits of a private enterprise? In response to this argument it has been noted that the grant is paid to the student and not the school. It has also been pointed out that government through its purchases of services, supplies, equipment, buildings, etc..., pays the profit involved in these purchases. Finally, profit making enterprises are themselves taxpayers and are helping to support various government programs including Tuition Grants."[33]

The HEAB board's initial reation was to take no action. This, in addition to an opinion by the state's attorney general that the extension of aid to proprietary institutions would be unconstitutional, may halt efforts to expand grant aid to the proprietary sector. However, given the clear influence of federal legislation in the past, future federal actions seem likely to determine the future course of state policy, particularly if federal example, incentives, and regulations point in a definite direction.

In October 1978, Congress narrowly rejected tuition tax credits, a new course for federal student aid policies, and instead passed the "Middle Income Student Assistance Act." This raised the family income ceiling for students eligible to receive BEOG grants. Under this legislation, a student from a family with assets under $25,000 would be guaranteed a minimum BEOG grant of $200. Students from families with the greatest possible need could receive grants up to $1,800. This suggests that the Federal Government is willing to assume even broader responsibility for financing access to public, private, and proprietary postsecondary education, since low-income students attending institutions in all three sectors are currently eligible to participate. The impact of this decision at the state level may be, as in the past, to further free student aid to cover students from families with even higher incomes. An alternative would be to use state student aid to improve benefits for very needy students left behind by the recent middle-income thrust or to partially displace welfare and unemployment payments to low and lower-middle income older adults so that they can more easily participate in postsecondary education opportunities. In any case, the federal action seems likely to increase the role of student aid in postsecondary education financing.

Another current development at the U. S. Office of Education is the reorganization of federal loan programs. Three broad objectives seem to be guiding this development: (1) the secural of loan funds adequate to meet current and future demand through greater involvement of banks and other private lenders; (2) the provision of a "lender of last resort" to guarantee that all students have access to loans; and (3) development of an efficient debt collection system that removes the burden of collection from institutions. At this point, it is not clear which of several alternatives are likely to be implemented; one leading possibility is the creation of stronger linkages between federal and state governments[34] for the purpose of achieving all three objectives.

State and federal student aid has experienced phenomenal growth and development during the past decade and has probably helped many students who otherwise might not have been able to attend college to do so. If this indeed has been its primary impact, then it is clear that in Wisconsin, given their share of higher education activity, it is the public institutions that

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have been the primary beneficiaries of student aid targeted on low-income families. Student aid may also have helped many public and private institutions weather the turbulent economic conditions of the 1970's. In addition, student aid has been a rapidly growing source of public investment in higher education. In Wisconsin, HEAB has made major efforts to expand the growth and use of student aid and to simplify its delivery to students by developing a single student application form applicable to almost all federal and state programs and by coordinating a broad array of federal, state, private lender, and institutional efforts.

The remaining problems are substantial, however. Students still generally do not know whether or not they will be eligible for aid, in what form (grants or loans) such aid will be given, or how much it will cost to attend college at the "time it matters most--at the point where he is trying to decide whether to go to a university or college at all."[35] Institutions also face many uncertainties. How much aid they can expect to have available for distribution to students. If their institutions raise tuition, will student aid adequately compensate for the increase? Even though student aid has increased rapidly, the increase has been more in the number of participants than in the size of grants. Programs rarely provide enough to allow individual awards to predict what forms and amounts of student aid are necessary to eliminate barriers to access for an increasingly diverse student population. Various needs-analysis systems suggest figures, but these are for the most part estimates derived from theory rather than empirical evidence.

One acknowledged obstacle to the further expansion of student aid is accreditation standards. How can the state be confident that programs it indirectly supports through students are worthy of support? One suggestion in Wisconsin is for the Federal Government to provide grants to independent accrediting agencies, and thus enable them to develop adequate standards for determining program grants. If this could be accomplished, then according to its advocates the last major hurdle to student financing would be overcome. The state would be assured that all accredited programs are adequate. This may seem the most logical approach, but how would student financing affect the existing partnership between public institutions and the executive and legislative branches of state government in determining the range and quality of educational services provided to state citizens? In Wisconsin it is clear that alternative forms of postsecondary education do not provide similar services.

In Wisconsin student financing is not widely perceived as an alternative to continued instructional support for public higher education. Financing decisions are made incrementally. The state has, with some recent lapses, maintained its support for low tuition access, and prevailing sentiment among legislators and state officials seems to favor continuation of that policy. However, state student financing advocates continue to challenge this sentiment with perhaps noticeable effect. Although the state concluded the 1976-77 year with a budget surplus of over one-half billion dollars, an observer of recent state agency meetings to evaluate UW System's request reported that it was rejected because passage of either the federal middle-income assistance or tuition tax credit legislation was anticipated.

The UW System's response to this rejection was to study ways of holding down student costs.[36] In August 1978, the group produced a list of recommendations for consideration by the Board of Regents. A special item of concern was the effect of anticipated enrollment declines in the 1980's on student charges. If enrollments declined, as anticipated, then a smaller number of students would have to support 25 percent of relatively unchanging instructional costs through higher tuitions. This could escalate tuitions at a faster rate then experienced in the 1970's.

The working group's principal recommendation was to set 1978-79 as a base year for calculating tuitions at the 25 percent rate, but temporarily, through the period of enrollment decline, request state dollars to support the difference between what fees would have been at 25 percent rate if enrollments had not declined. When enrollments again surpass 1978-79 levels, then the state's additional appropriation could be discontinued.

Other recommended actions included a UW-System merit scholarship program "to encourage academic achievement among Wisconsin students." Such achievement is not currently recognized in state student aid programs and as a consequence it is largely unavailable to students attending public institutions. A program entitled Wisconsin Students Serving Wisconsin would provide employment opportunities for students in the area of needed but unfunded public services, such as supplemental educational opportunities in schools, nursing homes and other nonprofit agencies.

Most of the group's recommendations, however, requested increased state funding for new and expanded HEAB programs, including a state supplement to the federal College Work-Study Program, a grant and loan program for part-time students, an expanded WHEG grant program to cover inflationary increases in student budgets, and even a program, somewhat reminiscent of the income-contingent program the UW System opposed a few years earlier, to consolidate student loans into a single program with an extended repayment period. These latter requests seem likely to be the only ones on which HEAB-UW System concensus could be achieved in the coming 1979-81 biennial budget debates.

One question that emerges from the evolution of student aid over the past decade is who has responsibility for student access? The state student aid agency, or the public postsecondary institutions established by the state to provide access? In the past, Wisconsin has given this mandate to the public institutions. Evolving conditions suggest that it may ultimately return to a state agency initiated by recent federal legislation.

Private Higher Education

As the figures relating to the development of private higher education in Wisconsin since 1960 showed, relatively little change took place during the past decade.[37] Enrollments remained stable or declined between 1965 and 1977. Among the membership of the Wisconsin Association of Independent Colleges and Universities (WAICU) there remained only two private universities, and those institutions that were described as liberal arts colleges in 1965 retained the same lable twelve years later. However, during this period several other institutions became recognized as private colleges for purposes of participation in state-aid programs. One new institution, the Medical College of Wisconsin, formerly the medical school of Marquette University, separated itself from Marquette in 1967 and became a private nonprofit corporation in Milwaukee. The college receives direct state aid but the state requires that one-third of the members of the board of trustees be appointed by the Governor for staggered six-year terms, and that first preference in admissions be given to Wisconsin residents. Furthermore, the institution is subject to biennial post audits of state funds expended.[38] Institutions, eligible to participate in WHEG and Tuition Grant programs include the Wisconsin College Conservatory, Wisconsin Lutheran, Concordia, Patricia Stevens, and four hospital schools of nursing became eligible to participate in the state's tuition-grant program as well as several other HEAB-administered student-aid programs.

Direct contacts between the state's private higher education sector and the UW System during the 1970's have been virtually nonexistent; but in some cases consortial relationships have developed between individual private institutions and the System's member institutions.[39] One private institution official explained the lack of intersector contact as motivated by a reluctance on the part of the private institutions to recognize the leadership of the University of Wisconsin in state higher education matters. The fear perhaps is that, as has happened in North Carolina, the public university system might serve as mechanism for requiring more accountability to the state, something which the private sector has largely been able to avoid until the present.

There are some issues that cause discontent in each camp. Among the private institutions, Marquette complains that the University of Wisconsin-Milwaukee has created three doctoral programs in engineering opposite two similar Marquette programs. Viterbo College in La Crosse has a degree/baccalaureate program in medical records that competes with a similar program at the UW-Platteville. Marquette, which has the state's only college of dentistry, also complains that the state subsidizes Wisconsin residents to attend the University of Minnesota's dental college but does not fully use the capacity that exists at Marquette.

The private colleges generally would like to see the Wisconsin tuition-grant program provide state subsidy for state residents attending private colleges equal to the instructional-cost subsidy provided students attending UW-Madison; or short of that, establish a link between the state support for public institutions and aid available to students attending private institutions, so that state student aid automatically keeps pace with increases in public institution appropriations.

Within the UW System, complaints are heard that the private colleges are eager to obtain additional state funds, but shy away at the mention of accountability. A related illustration is a recent state study of medical technology. This study, which included public and private colleges as well as hospitals, recommended a set of minimum standards. One of the UW System institutions did not meet these standards so the UW System closed its program. Viterbo College also did not meet the standards, but its program remained open and the state continued to provide aid to students in its programs.

Another point of concern was a tuition increase by Viterbo College, which the public sector thought to be motivated mainly by the desire to indirectly increase federal and state subsidies for that institution. In 1977, Viterbo's tuition was raised by $500; it then advertised in local newspapers that accepted students would receive at least a $500 scholarship. The public institutions became concerned that such use of the state's tuition grant program would allow private institutions to transfer institutional student aid into program operations and replace those funds with state and federal student aid.

Another general concern among the private institutions is that student aid does not provide sufficient resources, during this economically unstable time to assure continued well being. None of the Wisconsin institutions have substantial endowments, so inflation and recession have taken their toll. This might lead to further efforts to seek contractual relations with the state and UW System institutions.

State Appropriations: The Biennial Budgets (See Appendix A)

1973-75 Budgets

One of the goals of the System's 1973-75 budget request was to appeal to both internal and external constituencies, as well as the Governor, by advocating a "revitalized Wisconsin Idea," reminiscent of ideas advocated by previous UW administrations. President Weaver's introductory statement to the Regent's budget stressed economic development, attention to urban problems, improvement of health care, help for minority and disadvantaged students, regional economic development, cleaning up the environment, and providing better opportunities for nontraditional students. Referring to the

Progressive movement that gave the Wisconsin Idea meaning, President Weaver said:

> Today, the University cannot fail to heed the unmistakeable call to a new "decade of service." Many problems the University has helped to solve are problems of the past - transformed into effective processes of the present. Today we live in a new state. The problems are new; they come quickly--they call for immediate attention.[40]

The problem was, however, that in its early stage of development the system was not prepared to look outward and implement a "new decade of service." Given the lack of information about what the newly merged institutions were actually doing; the fact that old divisive issues had not been resolved; and the lack of any mechanisms for determining either citizen needs or appropriate university responses to meet those needs; it was difficult to pursue "revitalization" in the sense suggested by President Weaver's statement. Furthermore, it was already clear that state funds would not be available to finance major new program thrusts.

The realization that the first order of business was to organize the system is reflected in a May 11, 1973, report entitled "Retrospect and Prospect: A Sense of Direction," prepared jointly by Senior Vice Presidents Percy and Smith: "We cannot talk about where we are going or not going, until we first determine where we are, and what we ought to become."[41]

Immediate tasks included coordinating the staffs of the two former systems assuming the responsibilities of CCHE; responding to a range of external demands, including any new plans for extension, affirmative action, minority and disadvantaged programs, and others; developing operational and capital budgets for the 1973-75 biennial budget; and computerizing personnel data. Longer-range objectives included designing procedures for conducting academic program audits, creating institutional missions, developing a "central information system," and an accompanying capacity for long-range planning. Issues that needed exploration were "student demand and societal, state and national manpower requirements," program duplication, departmental performance and faculty workload standards, comparable funding for comparable programs, productivity savings and faculty and student input to decisionmaking, and, an old one, the need for a college of veterinary medicine. Thus the 1973-75 biennial budget request emphasized the consolidation of merger. State appropriations for the UW System operating budget did not increase substantially over 1972 levels and the capital budget was pared down to emphasize the maintenance of existing facilities rather than continued expansion. During the biennium, efforts to reorganize the UW System were somewhat disrupted by the enrollment declines at several of the state universities.

1975-77 Budget

The University System's 1975-77 biennial budget reflected problems that emerged during the previous biennium. The tuition, enrollment funding, and faculty salary issues were critical. Escalating tuitions were believed to be depressing enrollments, the state's enrollment funding formula, designed to take advantage of growing enrollments, cut disproportionately when operating in reverse, and, the faculties were restless due to their lagging salaries. Furthermore, the System administration sought clarification of its role from the state government:

> Are we to creatively envision on-going progress and development or are we expected to move purposefully toward, (a) contraction and limitation, (b) a restraint of any aspiration for improvement and innovation, or (c) a phased withdrawal from the existing perimeters of that investment.[42]

This was a prelude to a request for major increases in the UW System budget.[43] Central administration together with the System Faculty Ad Hoc Coordination group requested a nearly $60 million increase in faculty compensation designed to catch up with the cost of living and state employees salary increases and provide a fund for merit-pay increases. Altogether the system recommended a 30 percent pay increase over the biennium. The state was also asked to displace about $14 million in funds expected from tuitions and fees by approving a 50 percent rate reduction in undergraduate tuitions. The system also asked for replacement of the existing enrollment funding formula with a new one that would protect basic programs at institutions experiencing sustained enrollment declines. In doing this, the system began preparation for enrollment declines anticipated during the 1980's. Added to these were supports for workload increases at the doctoral campuses, the enhancement of system outreach for new student clienteles, state-mandated health service programs, improvement of instructional quality, programs for disadvantaged and minority students, and a substantially increased capital budget.

One factor that may have clouded the prospects for these requests was the fact that enrollments increased by 4,526 head-count students in the fall of 1974 when the regents were making their 1975-77 budget requests. This was largely due to an increase in part-time students and the fact that the number of students graduating from Wisconsin high schools increased and will continue to do so until 1980. Full-time equivalent enrollments increased 1.4 percent (1,680 students.).[44]

The Regents budget request was not well received by either the Governor or the legislature. The Governor answered the question of priorities posed earlier by the Regents, in his famous "phase out and phase down letter" to Board Chairman Pelisek. He followed this letter by recommending that the Regents' 1975-77 request, excluding the faculty pay package, be cut by $87 million. Faculty salary increases were later cut back to 6.5 percent for 1975-76 and 5.0 percent for 1976-77. About half of this was for cost of living and the other half was distributed on the basis of merit. The tuition reduction idea was disapproved as was funding to cover workload and inflationary cost increases and all new and changed service items. The Governor did agree that the enrollment funding formula was obsolete; but instead of adopting a new formula he and the legislature eliminated enrollment funding altogether. This was unfortunate for the UW System, since enrollment continued to increase during the following two years of the biennium.

In February, faculty representatives expressed "indignation and outrage" at Governor Lucey, the Board of Regents, and the Central Administration. Professor Richard Schauer of UW-Whitewater was "distressed at the passivity of the regents and the central administration in responding to the assaults by the governor's office, and by the Department of Administration which appears to be a collection of juveniles." He said he was further chagrined that there was "no counter-attack in the form of a reminder of the services the university has provided the state." A student newspaper reporter also made the comment that, "Now they'll have to raise tuition just to pay for all these tasks force reports."[45]

At the February 1975 meeting of the board, the Regents were angry. Regent DeBardeleben raised the question of "How can we examine and consider eliminating low enrollment, high cost of public institutions while increasing aid to private institutions in the same condition?" President Weaver observed that, "looking at the total state budget, our share declines from 21 percent to 18 percent."[46] The board resolved to demonstrate that the Governor's budget proposal would create a real crisis by gathering hard data and placing their case before the state.

A seeming contradiction to the state of relationships between the UW System and state government occurred in March. With forty-six authors in the Assembly (fifty votes needed to pass) and seventeen co-authors in the Senate (seventeen votes needed to pass), legislation was initiated that would resolve an old argument before the old CCHE. Assembly Bill 355 would establish a school of veterinary medicine at UW-Madison and create a satellite food-animal clinical facility at UW-River Falls. In January, the Regents had agreed on this arrangement, but with the stipulation that the state "should not at this time move to establish a school of Veterinary Medicine unless a determination is made by the state that a sufficient revenue base has been identified to meet the basic needs of the System's current programs...and in addition a revenue base has been established for the fiscal requirements of the new school."

In April the system Central Administration had gathered the data to make the case the Regents were determined to take before the public back in February. The three-volume "scope" report attempted to force the Governor and the legislature to make some basic policy decisions, such as could the state's public universities maintain open access and charge low tuitions or should they cut back in size and services and raise tuitions in order to preserve quality? Lucey's response was to praise the report. Later, while visiting UW-Superior, among system members the institution judged to be in the most serious financial trouble, Governor Lucey said, "I don't think you'll ever have to worry at all about this campus being closed. The remoteness of the University of Wisconsin-Superior from other campuses in the system above would be reason enough to continue it at any cost."[47]

The legislature's Joint Finance Committee responded by recommending minor increases above the Governor's request and passed a resolution reaffirming the state's commitment "to quality and to access to education opportunity in the University of Wisconsin System."[48]

The committee did, however, seek to help in a way that did not cost money by agreeing to the four-year, advanced-planning cycle requested earlier by the Central Administration. However, all in all, the state government did not match its reaffirmation with increased support, as is demonstrated by the following record of state appropriations.

The reorganization of University Extension was one of the most important long-term academic innovations to occur during the middle 1970's.

TABLE X

APPROPRIATIONS 1974-1977[49]

	1974-75 (millions)	1975-76 (millions)	1976-77 (millions)
State general purposes revenue	$303.7	$296.9	$305.9
Total	620.3	624.2	645.3

Governor Lucey in his "ten questions" letter to President Weaver had suggested a "new structure for University of Wisconsin Extension." The Governor questioned the need for extension as an organizational unit and instead suggested that it might be a systemwide function, which placed "primary responsibility on the individual campus and faculty member for bringing specialities to bear on the problems of the community." He also said "I am concerned in many instances the campuses have become isolated from their communities, and have relied solely on University Extension to bring the resources of the campus to the state."

The Board of Regents did not eliminate Extension as an organizational unit but did broaden its scope to involve the former state universities. UW-Madison Professor Wilson Theide became the system's Provost for Outreach in 1974, and one year later provided a plan for future outreach activities. Goals for the new Outreach function included: (1) developing a Regents' Statewide University, and external degree program that included an individualized academic advisory and counseling system as well as a system for evaluating and assessing life experiences in terms of educational equivalency; (2) incorporating the Center System into the extension organization as a separate entity but integrating a number of administrative functions with UW Extension, and redefining the missions, governance, and operations of the

Center System; and (3) organizing systemwide institutional involvement in two categories of outreach programming--100 percent self-supporting, noncredit instructional programs offered by individual institutions within their immediate service areas, and noncredit instruction programs at least partially supported by state general purpose revenues.[50]

Arrangements were also made for joint appointments for faculty at the various institutions and some offering of credit programs under an arrangement where individual institutions received enrollment credit for students participating in the program. While some of the former state universities had their own extension operations prior to merger, these were for the most part quite small. Merger created the opportunity to develop faculty outreach in ways somewhat similar to that developed earlier at Madison. The Madison program had been heavily focused in the area of agriculture, and a highly regarded agricultural extension continues to function; however, recent evolution has been toward a more diversified array of interdisciplinary programs that coordinate, in most cases, institutionally-based faculty on a statewide basis. Among the impacts of merger, this is among the most applauded by the former state university chancellors both for reasons of improved community service and enrichment of opportunities for staff members.

1977-79 Budget

Regent strategy for the 1977-79 state budget opted not to attempt a repeat of the larger than the Governor's request strategy of 1975-77. The Regents request stayed within the Governor's suggested limits and stressed "preparing for enrollments in the 1980's." Among the most important requests were restoration of an enrollment funding formula, a biennial faculty pay increase of nine percent (a figure arrived at by a joint faculty-administration task force) that partially represented a request to match faculty pay increases with those received by other state employees; operating funds for the UW-Madison's new state-mandated health science center; and limited support for degree and nondegree credit "outreach" programs targeted on the lifelong-learning concept. A top priority for the central administration staff during the biennium was the development of a funding formula that provided adequate support when enrollments were both increasing and decreasing. An underlying priority for preparing the budget was to reduce the workload of institutional participation in the budgeting process. This was accomplished by using various kinds of faculty and administration task forces to develop institutional and systemwide program requests, and by delegating more planning responsibilities to the institutions.

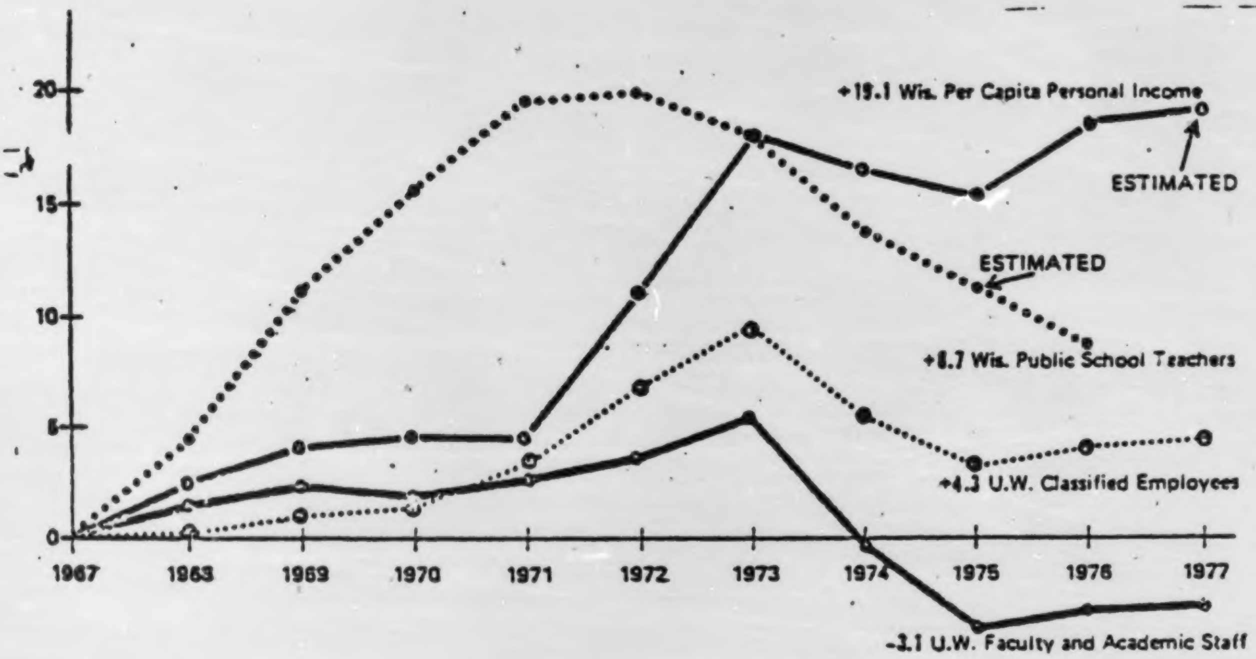
Reaction to the Regents' 1977-79 budget was more friendly when compared to the reception given the 1975-77 request. The Governor recommended a $16.4 million increase in the UW System budget. This included restoration of an enrollment funding formula and $6.4 million in additional support for new students. New outreach activities, including support for noncredit adult education, received more support, although only one-fourth of that requested. However, the next year the legislature provided funds for the expansion of existing off-campus degree programs at UW-Green Bay and UW-Superior and encouraged implementation of a similar program at UW-Platteville.

The faculties ultimately received annual pay increases in 1977 and 1978 averaging over 7 percent, which represented a modest improvement over the previous biennia. Figure 4 shows the faculty pay history until 1977.

The principal reason that the University of Wisconsin System budget increased as little as it did was because per student constant dollar support declined 8 percent between 1972-73 and 1977-78. This, in turn, was the result of a slower-than-inflation increase in faculty salaries; increased enrollments (13,227 headcount and 6,124 full-time equivalent) without equally increased enrollment funding; the fact that the faculty did not substantially

FIGURE 4

PERCENTAGE CHANGE IN REAL SALARY INCOME OF U.W. FACULTY AND ACADEMIC STAFF AND OTHER GROUPS OVER TEN YEARS (SINCE JULY 1967)



Sources: Department of Industry, Labor and Human Relations; Department of Public Instruction; and UW System *Faculty Memo*, 15 April 1977.

increase in size; and student enrollments shifted from less expensive to more expensive programs.[51] Also, the state continued to mandate virtually all previously existing services as well as major new programs and even institutions (i.e., the Health Center and the School of Veterinary Medicine), although these institutions were separately funded.

It is not possible, given the existing methods of evaluation to judge the current financial condition or evaluate the successes or failures of public higher education in Wisconsin either as a result of the merger or the period of fiscal austerity that characterized the middle 1970's. There were some developments that system administrators and institutional leaders point to with pride. Policymaking and planning within the system became more sophisticated, and after an initial period of highly centralized control, central administration was able to decentralize many of its functions and substantially reduce institutional workloads. Also, for the first time in public higher education in Wisconsin's history, the state was persuaded to support faculty sabbatical and retraining programs. More important in the views of some faculty members in both of the former systems, although not universally acknowledged, was the fact that faculty roles in institutional governance were built into the University of Wisconsin System statute. State university chancellors mention their ability to at least selectively improve existing programs and initiate new ones without being subjected to an unreasonable program approval process. Interinstitutional consortia were also created to improve services to regions. The new state-wide university extension also is cited as having strengthened previously weak outreach capabilities at several of the former state universities and perhaps opening up possibilities for state-recognized service to new student clienteles across the system. During the 1970's, UW-Madison received many distinctions, especially in the area of research: in 1974 the National Science Foundation rated UW-Madison first among 900 public and private universities in terms of dollar (mostly federal) support for research and development activities; in 1975 a faculty member, Howard Temin, won a Nobel Prize for cancer research; and in 1976 another faculty member, Joseph Hirschfelder, won the National Medal of Science and proclaimed the opinion that a new "golden age of scientific breakthroughs" was already underway.

In his January 1977 "State of the State" and Executive Budget Message, the last such message delivered before he became ambassador, Governor Lucey listed what he perceived to be some of the more important accomplishments of his administration. There had not been an increase in any general tax rate since 1971. Employment in the public sector had been overtaken by employment in the private sector, whereas the reverse was true during the last half of the 1960's. Average state property tax rates had taken a sharp decline; unrestricted state government payments to local units of government were sharply increased, so that state and local taxes as a percentage of personal income had turned down after reaching a thirty-year peak in 1978. In the area of education, the level of state support for the public schools had been doubled and would triple by 1980. State support for vocational schools had been increased to a level of 35 percent of local costs. Similar progress was claimed in agriculture, transportation, environmental protection, welfare, and social services. In several of these areas Governor Lucey appeared to stress positions previously advocated by his many University of Wisconsin System faculty advisors.[52]

It is too early to evaluate Governor Lucey's administration. His true agenda for public higher education was perhaps accurately summarized in an earlier address he delivered on the occasion of the University of Wisconsin-Madison's 125th anniversary.

> We forget how often in the past austerity and accountability -- and even political conflict -- have served the greatness of the University of Wisconsin, by linking public support with institutional credibility and bringing a renewal of the compact between the people and their university...As an institution, the University can help us through this economically difficult period by not adding new expenses to the burden of the hard-pressed Wisconsin taxpayer and by finding constructive ways to reduce the old...The University can also lead by example...showing other public and private institutions, state agencies and business firms, that there are alternative ways of structuring work and pay, of sharing the burden of recession, or responding to the challenge of rising costs and declining revenues -- without abandoning a commitment to greatness.[53]

In 1977, Wisconsin's economy strengthened and state government became the beneficiary of a budget surplus of over $500 million. If the University of Wisconsin System budget had increased at the same rate as all other state agency expenditures, it would have received approximately $147 million more than it actually received; to state the obvious, priorities were dramatically changed from those of the previous decade.

In 1977, President John Weaver retired and was succeeded in office by H. Edwin Young, Chancellor of the University of Wisconsin-Madison. Governor Lucey departed from Wisconsin in 1977. Upon his departure, Democratic Lieutenant Governor Martin Schreiber became Acting Governor for the completion of Lucey's term, which ended January 1, 1979.

The appointment by the Board of Regents of H. Edwin Young to the Presidency of the UW System was applauded by most of the state's public higher education constituencies as well as state government officials and legislators. In many ways this choice symbolized a reaffirmation that the UW System should continue to develop in the model and traditions of the University of Wisconsin. Among the candidates for the presidency, Young was uniquely qualified to continue this direction of development. First, he was a product of the University of Wisconsin. He began his career at the university as a graduate student in economics in 1945. Since then, with the exception of occasional returns to his native Maine, Young rose through the faculty ranks of department chairman and dean. In 1968, Young became chancellor of the Madison campus and a vice president of the premerger University of Wisconsin system.

After the merger, Young became a leader among the UW-System Chancellors in efforts to strengthen institutional autonomy. As a self-described friend and critic of the system's first administration he advocated deemphasis of the highly centralized administration and the delegation of many functions and responsibilities to the individual institutions. At the same time he became the system's most vocal advocate of shared governance and critic of collective bargaining. In the area of higher education financing, he favored continuation of the state's traditional policies of low tuition and liberal access. President Young also gained an opportunity to advocate these positions at the national level by becoming the elected head of the National Association of State Colleges and Land-Grant Universities for the year 1979-80. Another leader of the University of Wisconsin during the late 1960's, Robert Clodius, emerged as the President of the "Land-Grant" association in December 1979.

VIII. SUMMARY AND CONCLUSION

During the 1960's, competition between Wisconsin's two public university systems resulted in increased tax support for both; however, as the ill-fated war in Vietnam wore on and the economy weakened, both the left and the right in Wisconsin's political spectrum held colleges contributory to the unsatisfactory state of affairs. Continued competition between the systems then became the focus of state government demands for increased accountability from public higher education.

Governor Lucey's response to the prevailing political mood was to instigate the merger of the two former university systems and to demand, from the new University of Wisconsin System, centralized responses to state policy demands. Thus, the Governor justified by his corollary to the Wisconsin Idea-- "the citizens of the state are the citizens of the university" initiated state efforts to blur the jurisdictional boundaries between the state and higher education.

The Governor defended the intellectual independence of academics, appointed independent-minded people to the System Board of the Regents, and directed questions rather than demands to that Board; but state government, through its single party control of the public purse and the policy agenda, controlled higher education's environment, and the State Department of Administration and the Legislature involved themselves, to an unusually great extent, in higher education decision-making. At the same time, a host of federal agencies also demanded increased accountability from higher education.

However, as soon as the merger became a reality, the UW System Central Administration also began to feel resistance from internal constituencies, particularly the university chancellors. The chancellors distrusted centralized decision-making and advocated their right to exercise independent judgement in running institutions and serving the public. The institutions thus pushed for decentralization at the same time that state government mandated an opposite course.

Caught in the middle, the Central Administration at times resisted both state and federal governments, and increasingly so as time passed. Examples include the return of many initially assumed planning and operating responsibilities to the institutions; a massive reduction in institutional paperwork related to the preparation of budgets; the preparation of the SCOPE report, which alerted the Governor and the Legislature to the consequences of closing institutions and restrained state action in this direction; the development of proposals to lower tuitions at a time when the Governor advocated raising them; and the creation of an alliance between the UW System and the State Board of Vocational, Technical and Adult Education that dissuaded the Governor from establishing a federally initiated Comprehensive Planning Commission (1202 Commission) in Wisconsin.

For public higher education the 1970's might be remembered as a period of governance by the presumption of guilt, since many of basic academic policies were subjected to hostile review, not only from public officials but also from academics. Yet in terms of the issues that in the long run determine the course of institutions and the magnitude of taxpayer support for higher education, few conclusions were reached. Toward the end of the decade, a lengthy list of unresolved issues remained, among them the following:

State Appropriations

The proportion of the state's budget allocated to public higher education declined after the merger to a level where constant dollar expenditures per student also declined. In effect, state government demanded that universities find ways to maintain quality, continue existing services and even provide new ones with declining constant dollar support. At present there are few, if any, reliable methods for determining when healthy balances between public expectations and financial resources exist in higher education. Confusion in this area seems particularly threatening; reliable measures need to be developed for accurately assessing institutional conditions.

Intervention

In retrospect, it is difficult to enumerate the successes of government intervention during the past decade. The basic missions and functions of higher education were not substantially altered; the expansion of the 1960's was not followed by dismantling in the 1970's; neither were the prior goals and directions for institutional development substantially altered. No one was punished for violating the law. The rapid growth in state support was stopped and slightly reversed after the merger. But this took place at the time of the Governor's initial "productivity cuts" and the temporary elimination of enrollment funding; not from the flood of audits and investigations.

Perhaps the most significant result of close scrutiny by government was that no one was satisfied with the results. Under the terms of intervention, the UW-System could never fully satisfy its multiple and overlapping array of government supervisors. Intervention seemed, more than anything else, to breed administrative overhead and mutual distrust.

Student Aid

Federal influence in the area of student aid was paradoxical. The growth of federal student aid during the 1970's was a blessing for students attending public and private institutions in Wisconsin. Student aid was a rapidly expanding priority at a time when other supports for higher education were weakening, and the state's Higher Education Aids Board deserves credit for effectively coordinating and simplifying the delivery of aid to students. However, a problem with federal legislation was that it encouraged state government, in some cases through regulations, and in all cases through incentives, to adopt uniquely federal attitudes toward higher education.

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The federal viewpoint is increasingly problematic. By traditional interpretation of the U. S. Constitution, the states are responsible for higher education. With this understanding, the states have long recognized that different kinds of colleges serve the public differently and, after taking into account different institutional roles and loci of accountability, have focused primary attention on providing academic programs adequate to meet state development needs and citizen demand. By contrast, federal higher education legislation makes scant reference to academic programs. Instead, it assumes that all colleges serve the public equally and creates incentives for institutional financing through students. Federal legislation also assumes that, in return for federal student aid, all institutions should be equally accountable for who has access, who teaches, and who administers.

In recent years, the ascendant federal viewpoint seems to have influenced higher education financing in Wisconsin. During the 1970's the state government adopted some of the federal attitudes. Institutional appropriations were reduced both for reasons of economy and, to some extent because of faith in increased efficiency through greater reliance on student aid. As a result students attending public institutions, which together educate more than eighty percent of all state students, were required to pay higher proportions of instructional costs through higher tuitions, and more state dollars were channeled through students to private institutions. Yet, in Wisconsin aid to private colleges failed to diminish the public college "monopoly" on service to the state, since the private sector did not grow and assume a larger share of responsibility for providing higher education. The principal effects appear to have been higher constant dollar tuitions for the vast majority of students and possibly an improvement in the financial condition of Wisconsin's private institutions.

Another significant impact of federal student aid in Wisconsin resulted neither from aid to students nor aid to private institutions, but rather from the transfer of responsibility for providing higher education access from institutions, to a state student aid agency created in response to federal legislation. Some fear that this has set a precedent for additional transfers of institutional responsibilities to government agencies that will ultimately cause private institutions to become more government regulated and public institutions to become more student-financed, while eroding state government's sense of responsibility for providing academic programs adequate to serve the entire citizenry. Recently policy research has all but ignored the supply side of higher education.

Productivity

The Lucey administration's drive to improve productivity within the UW-System may have resulted in some improvements but did not give institutions many options for reallocating internal priorities or protecting the capacity of institutions to absorb reductions in support and thus maintain program quality. Productivity improvements mainly depend on the adoption of innovations capable of making the delivery of goods and services less labor intensive. Such were not generally available to higher education during the 1970's. Reduction in the cost of supporting public higher education resulted mainly from higher student-teacher ratios and slower-than-inflation growth in faculty salaries, an approach difficult to sustain for a long period of time without reducing quality.

Collective Bargaining

Slow growth in faculty salaries, after the merger and the high degree of centralized authority in state government, contributed to discontent among faculty members. This was especially apparent when the state employees and elementary and secondary school teachers, who dealt directly with the Governor and Legislature through their unions, seemed better able than university faculty to keep pace with the inflating cost of living. Consequently, there emerged a serious effort within the UW-System faculty to organize collectively for direct dealings with those in state government empowered to make decisions on fundamental issues. This movement appeared capable of transforming the merger's intended system of collegial governance, in the University of Wisconsin tradition, into formally adversial relationships among faculty members, administrators, and students, thus creating new pressures for government intervention.

Reappropriation of Federal Funds

A major new issue, "reappropriations of federal funds," was introduced in Wisconsin in 1977, but aborted when its initiator, Acting Governor Martin Schreiber, was defeated in the 1978 gubernatorial election by UW-Stevens Point Chancellor Lee Dreyfus. The issue is noteworthy because it is active in other states and could reappear in Wisconsin.

In several states, legislators have asserted that if state government is to retain control over state policy, then it should consider federal funds as income to be reappropriated in conformance with state rather than national priorities. Acting Governor Schreiber's 1979-81 biennial budget instructions asked that federal funding be justified in terms of state priorities. Where such justifications could not be made easily, proposals for ending participation in federal programs were to be developed. Some scholars see reassertion of state government as a natural progression in reestablishing balance between state and federal authority after a long period of federal activism.[1] Others question the constitutionality of state interference with federal laws and fear simultaneously accountability to state and federal governments as well as negative impacts on the progress of basic social issues.[2] This issue, should it reappear in Wisconsin, could complicate the flow of dollars, especially for research and public service, and draw higher education into yet another crossfire situation between competing government bodies.

Enrollment

The executive and legislative branches of Wisconsin's government, as well as the University of Wisconsin System itself, have long anticipated a demographically induced decline in higher education enrollments. Needless to say, future enrollment prospects have been discussed at length in Wisconsin. However, since many factors influence enrollments, how much they will actually decline remains unknown. University of Wisconsin projections indicate an enrollment decline of approximately fifteen percent between 1983 and 1993, after which enrollments are expected to turn upward again. The decline could probably be made deeper and longer by: increasing tuitions rapidly; reducing federal and state student aid; ending the tuition reciprocity agreement between Wisconsin and Minnesota; reducing institutional quality; imposing enrollment ceilings on individual institutions; or shifting the basis of state funding from enrollments to programs.

Enrollments could probably be increased above projected levels by: lowering tuitions, increasing student aid; improving program delivery to economically disadvantaged and non-traditional students; extending tuition reciprocity to certain other states; reinstituting the academic track as the typical experience of the majority of secondary school students; and improving the quality of instruction at elementary and secondary school levels.

Factors over which neither state governments nor higher education institutions have much control could also increase or decrease college attendance rates. For example, evidence suggests that low unemployment rates would have a negative effect on college enrollments, while high unemployment rates would boost them.

Enrollments could be increased or decreased depending on the nature of the current movement to improve the quality of general education. Some observers expect a reemergence of teacher shortages in the near future as the "back-to-basics" movement in elementary and secondary education creates a new vision of the qualified teacher.

Some observers expect female college participation rates, which accelerated during the 1970's, to peak soon, while others expect continued increases in female enrollments for some time. Still others believe that enrollments would increase if work experience could be successfully wedded to academic studies. During the past decade televised and computerized instruction has also developed and these could have a major impact on colleges in the 1980's and 1990's.

Merely listing some of the many factors that influence college enrollments suggests the hazards of attempting long-range projections. The tools of projection are simply not capable of plotting the future courses of many uncontrollable variables, and those who project and have good "track records" often rely more on anthropological insight than on replicable methodology.

The most plausible projections for the 1980's suggest that many, if not most, institutions will experience simultaneous growth and contraction as a result of shifting student preferences and public priorities. The University of Wisconsin System has developed a formula that increases funding for expanding programs while establishing maintenance floors for institutionally necessary programs experiencing declining enrollments. This is one realistic approach to the enrollment problem.

Future Prospects

Some positive changes have taken place that could help to restore more agreeable balance in the higher education-state relationship in Wisconsin.

First, in 1978, the public universities in Wisconsin seemed to be more united than at any time in the last two decades. The issues that divided them during the late 1960's, were settled at least for the moment, as consensus emerged regarding institutional missions and the division of labor between the institutions and the system's central administration. Unity among the institutions could improve higher education's standing in the state.

Second, a positive result of the expansion of federal and state student aid was the creation of common interest among public and private institutions in the development of student aid, particularly for improving education for students from low-income families. Each type of institution has unique resources to apply to this task and there should be more reasons than not for the two sectors to work cooperatively.

Third, it seems unlikely that conditions similar to those that placed higher education institutions at the pinnacle of political controversy in the early 1970's will be repeated in the 1980's. Even if enrollments decline to the point where institutions are adversely affected, the basic worth of higher education will probably not be questioned as it was during the early 1970's, and this by itself could improve the quality of government higher education relationships.

Perhaps the most important determinant of higher education's future in Wisconsin, as in other states, will be what academics perceive to be their own tasks in society and the perceptions that emerge will have important implications for relationships with government. Higher education's discomfort in the 1970's was not due solely to the actions of governors and legislators. Many academics followed the long tradition of being among the severest critics of educational assumptions, policies and practices. The result of criticisms from all parties was greater government involvement in higher education decision making. With the approach of a new decade it seems appropriate to evaluate this result and to determine desirable courses for the future.

At present there is much confusion over what higher education's tasks should be. One prominent viewpoint is exemplified in the recent "Jefferson Lectures" on the relationship between government and higher education delivered by the University of Chicago's Edward Shils. Shils sees the analogy as one of higher education as the church devoted to God, but in the world and, therefore, beholden to Caesar. Shils suggests that government should simply stabilize support for higher education and allow institutions to follow the dictates of their faith.

According to Shils, the trouble with government is that it only sees higher education as an instrument of state, demands more than its due, and threatens to undermine higher education through a combination of unreasonable demands and unstable support. The focus of Shils' concern is the federal government's concern for affirmative action and its demand that ethnic background and sex play a role in faculty selection. This he sees as tampering with the heart of academic freedom. The selection of faculty, he stresses, should have no other basis than academic promise; anything less undermines the search for truth, mistreats the most qualified faculty candidates, and cheats the students.

There is something to be said for Shils' analogy, but his desire to keep higher education completely separated from the state has serious limitations when applied to the Wisconsin experience. There higher education has made exemplary contributions to the creation of new knowledge and the expansion of learning, but active involvement in the development of the state, and in public affairs, underlies and supports its academic achievement.

Shils also may have chosen the wrong target for defining damaging intervention by government. The affirmation action issue is not unprecedented in Wisconsin, nor, for that matter, in many other states, and has been successfully dealt with in the past. In the early decades of this century the most politically active immigrant groups demanded quota representation in government as well as in higher education; ethnic departments were established and candidates with questionable academic preparation, such as the "honorary AB" who headed the University of Wisconsin's Scandinavian Studies Department, were hired and became productive scholars. However, ethnic quotas were never applied to all departments and non-English names did not become common on the faculty rosters until candidates bearing them were able to meet stringent scholarly requirements, for the most part well after the affirmative action issue faded from center stages due to successful passage in broader political arenas.*

Perhaps one reason for the University's success during the first era of affirmative action was its will to independently address the needs of the aspiring groups. In this case academic assertion contributed to basic change in the policies, processes, and even the membership of state government. Afterwards, the University's effort was rewarded by lasting support from the descendants of the formerly aspiring.

The analogy that better fits higher education in Wisconsin, and perhaps across the nation, is that in modern times citizens look upon higher education as an autonomous public service, primarily accountable to the citizenry. Its job is to search for truth and to provide instruction, research, and public service to those who can benefit. It also holds a license to investigate and recommend solutions to public problems.

To the extent that the higher education meets public expectations, it is granted the economic and political resources with which to pursue its missions and maintain its autonomy. However, from time to time there are sharp polarizations and abrupt shifts in the political environment, such as those which occurred after the Vietnam War. Such changes challenge higher education to restore its societal supports through works that can be widely understood and appreciated.

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* A present day parallel to earlier history is suggested by the previously described agreement between HEW's Office of Civil Rights and UW-Madison, after HEW threatened to withhold over $11 million in federal grants because it charged that Madison had not hired enough female faculty members; but HEW reversed its position when UW-Madison demonstrated a lack of qualified applicants.

In recent years both federal and state governments have charged that academe's ability to represent the best interests of the citizenry has declined and that it is necessary for government to monitor higher education more closely and, in some cases, even to displace some of its functions. However, government itself is viewed with suspicion by the public, as government has increasingly pursued social goals through regulation rather than through the delivery of services.

At the national level, two strategies for restoring balance with government have developed; if pursued separately, each may stimulate conflict among academics and otherwise achieve little of lasting benefit. One strategy recommends a frontal attack on regulation. The danger is that criticizing without suggesting alternatives may cause academics to support deregulation to the point where societal needs are neglected.

Freedom from regulation resulting from success of an anti-regulation strategy might have unexpected consequences. It might be that the purposes of government regulation and the reasons for higher education support are so closely interwined that the neglect of one causes the neglect of the other. For example, affirmative action seems to at the moment to have something to do with opening new student markets at a very opportune time for higher education.

The other strategy suggests that academics work to put their "own houses in order" by setting such good examples in regulating themselves that government will have greater respect and loosen the reins. Although better self-regulation is always desirable, near exclusive reliance on this approach seems to both underestimate government's need to regulate and to overestimate the ability of academics to reach consensus where proposed action is unilateral. Unfortunately, there are abundant examples documenting a variety of causes for conflict among academics when different kinds of academics debate different visions of higher education's future.

Separately these strategies seem inadequate, but together they might not be. For example, if the scale of academic investigation were broadened to include assessment of the checks and balances among branches of government and societal institutions, including higher education, the findings might lead to reforms that are widely understood and appreciated.

Throughout the 1960's and 1970's, the Wisconsin Idea, which has influenced the development of public higher education in many states, and therefore may be more broadly symbolic, remained an important factor. It justified and restrained government intervention and provided for an academic response.

One indicator of the public's current assessment of higher education is perhaps illustrated by the successful gubernatorial campaign of a university chancellor at a time when academic prestige was assumed by many to be at low ebb. Also, in the late 1970's Wisconsin emerged as a state governed, both in the executive and legislative branches, by former educators. This is a historically unprecedented pattern in state leadership.

When dealing with "external" problems, higher education seems increasingly to confront its student and professional products. Pogo's conclusion, "We have met the enemy and he is us!" may be appropriate: the fact that there are many educators in Wisconsin's government does not assure easier future for higher education in the state. However, it does suggest that government will hold different expectations and raise different kinds of questions than in the past. Higher education is thus challenged again to persuade the state to encourage many activities, which have already been initiated or considered in Wisconsin, but which have suffered during the current decade's atmosphere of distrust. These include the development of long and short range constituency sensitive academic plans and proposals; the re-evaluation of what college education is meant to signify; the creation of governance mechanisms that strengthen faculty participation in institutional and state planning; increased higher education authority to alter program priorities and to reinvest any savings resulting from such actions; increased freedom to explore constituent needs for instruction, research and public service and to alter faculty workloads when necessary; and finally, predictable financing while the above activities take place.

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NOTES

I. INTRODUCTION

1. Marvin W. Peterson, "Innovation Outcomes and the State Budgeting Process," Report of the Institute for Educational Leadership, George Washington University, Washington, D. C., June 1976.

2. Chester E. Finn, Jr., "Federal Patronage of Universities in the United States: A Rose By Many Other Names?", Brookings General Series Reprint 330 (Washington, D. C.: The Brookings Institution, 1977).

3. Robert O. Berdahl, "Secondary and Postsecondary Education: The Politics of Accomodation," in *The Changing Politics of Education: Prospects for the 1980's*, edited by Edith K. Mosher and Jennings L. Wagoner, Jr. (Berkeley: McCutchon Publishing Corp., 1978), pp. 227-259.

4. Jacob O. Stampen, "A Factor Analysis of Voting Behavior in the Wisconsin Legislature 1945 to 1967," (unpublished Ph.D. dissertation, University of Wisconsin-Madison, 1969).

II. HIGHER EDUCATION INSTITUTIONS OF WISCONSIN SINCE 1965

1. University of Wisconsin-Milwaukee began as a normal school in 1885. Later it became a state college under the Board of Regents of State Colleges. In 1955, it was combined with the University of Wisconsin Extension Center in Milwaukee and thus came under the jurisdiction of the University of Wisconsin Board of Regents.

   At the time of the initial merger the Milwaukee campus mission expanded undergraduate programs, added a few selected graduate programs and established evening instruction. As such it was able to avoid serious objection from Marquette University since there was little program duplication. However, later under the Harrington administration, the graduate divisions were expanded and a new medical school was planned. Marquette University, which already had a medical school in Milwaukee, mounted a successful campaign to stop planning for the UWM medical school. See Wisconsin Legislative Council, University of Wisconsin Policies 1955 Report Vol. I and Wisconsin Blue Book 1975, pp. 410-411.

2. Roman S. Gawkoski, "Annual Report of Opening Fall Enrollment in Wisconsin Institutions of Higher Education," Wisconsin Association of Collegiate Registrars and Admissions Officers, 1965-66 and 1977-78.

3. State of Wisconsin Legislative Reference Bureau, Wisconsin Blue Book 1966, (Madison State Printing Office), pp. 446-450.

4. Ibid.

5. Ibid, pp. 450-451.

6. State of Wisconsin Higher Education Aids Board, Activity Report: 1976-77 Academic Year.

7. Over 99 percent of Wisconsin Tuition Grants are given to students attending private colleges and universities. Less than one percent is provided for students attending special programs offered by the State Vocational Technical and Adult Education System.

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III. RETURN TO ONE PARTY POLITICS: THE RISE OF THE NEW DEMOCRATIC MAJORITY

1. The author conducted a computerized factor analysis of voting behavior in the 1969, 1971, and 1973 legislature. Resulting clusters of legislators were identified by common background characteristics.

2. Conclusions based on information in Richard Haney's, "A History of the Democratic Party in Wisconsin Since World War Two," (unpublished Ph.D. dissertation, University of Wisconsin-Madison, 1970).

3. Interview with David Adamany, former Secretary of Revenue and close political advisor to Governor Patrick J. Lucey, Chicago, Illinois, 18 September 1978.

4. Interview with Wallace Lemon, former Secretary, Department of Administration under Governor Gaylord Nelson, Madison, Wisconsin, 25 July 1978. A brief history of the Department of Administration is also provided in the Blue Book 1975.

5. Blue Book 1968. pp. 366-378.

6. Blue Book 1975. The "management movement" in state government did not result in smaller state government. In 1956, the state agencies were housed in the state capitol building and one additional office building. Since then, the agencies moved out of the capitol into a total of four large buildings with two additional buildings under construction. Between 1960 and 1973 the number of state employees increased from 29,251 to 53,193.

7. Mark J. Bradley, "The Political History of Patrick Lucey, Chapter 1, The Role of Organizer," unpublished paper, Madison, 1971.

8. Patrick J. Lucey, Governor's Budget Message 1971-73 (Madison: State of Wisconsin, 25 February 1971).

IV. THE UNIVERSITY OF WISCONSIN SYSTEM: OLD MANDATE - NEW MANAGEMENT

1. Roger A. Stafford, "Lucey Election Adds Spice to Higher Education Stew," Milwaukee Sentinel, 5 November 1970.

2. Joseph C. Rost, "The Merger of the University of Wisconsin and the Wisconsin State University Systems: A Case Study of the Politics of Education," (unpublished Ph.D. dissertation, University of Wisconsin-Madison, 1973), pp. 481-494. Most of these reasons are cited in Rost's dissertation, the author added some additional factors based on his own observations and research. Rost provides an excellent narration of the mood and events of the time and is frequently referred to in section 4.

3. Blue Book 1975, p. 342.

4. Donald K. Smith, "Coping, Improvising and Planning for the Future During Fiscal Decline: A Case Study from the University of Wisconsin System," ed. Ernest Boyer, Monday Morning Imagination: Report from the Boyer Workshop on State University Systems. Aspen Institute for Humanistic Studies (Aspen, Colorado, 1976). According to Smith, in 1974-75, the NW System received 17 percent of total state and federal tax sharing revenue. In 1975-76, this percentage dropped to 14 percent. Another way of viewing this is that in 1973-74 per capita tax support for post-secondary education placed the state in second place among all states. In 1975-76 Wisconsin had dropped to thirteenth place.

5. Ibid, p. 33.

6. Letter from Governor Patrick J. Lucey to Regent President Frank J. Pelisek, 8 January 1975.

7. Letter from Regent President Frank J. Pelisek to Governor Patrick J. Lucey, Senate President Pro Tem Fred Risser and Assembly Speaker Norman Anderson, 18 April 1975.

8. Smith, Coping...p. 40.

9. Board of Regents of the University of Wisconsin System, Minutes, Madison Wisconsin, 6 February 1976.

10. Capital Times, 16 September 1978.

11. Acting Governor Martin J. Schreiber Memorandum to Agency Heads, Office of the Governor, July 24, 1978.

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V. THE WISCONSIN IDEA: TRADITIONS IN UNIVERSITY-STATE RELATIONSHIPS

1. Berdahl, "Secondary and Postsecondary Education," pp. 237-239.

2. Two of Wisconsin's current private institutions, Lawrence University and Ripon College, competed with the University for land-grant status. Reference to the early history of the University of Wisconsin are, except where indicated, taken from Merle Curti and Vernon Corstensen "The University of Wisconsin to 1925," Chapter 1, Ed. Allen G. Bogue and Robert Taylor, The University of Wisconsin: One Hundred and Twenty Five Years, University of Wisconsin Press, Ltd., 1975.

3. Ibid, p. 28.

4. Vocational-technical schools located in Madison, Milwaukee and Rhinelander, Wisconsin have evolved community college missions, however, they are exceptions to the overall state policy.

5. A fascinating account of the politics of expanding state colleges in Wisconsin is found in E. H. Kleinpell, In the Shadow: Reflections of a State College President, (University of Wisconsin-River Falls Press, 1975).

6. Rost, The Merger ... p. 106.

7. Ibid, pp. 109-170.

8. Clara Penniman, "The University of Wisconsin System," Chapter 5, The University of Wisconsin ... p. 114.

8a. Rost, The Merger...

9. Ibid, p. 167.

10. Ibid, p. 64.

11. James Gilbert Paltridge, Conflict and Coordination in Higher Education, (Berkeley Center for Research and Development in Higher Education 1968) pp. 21-22.

12. Committee on 25, Final Report, Volume 2 (Madison: State of Wisconsin 1965) pp. 12, 17, 18. As reported in Rost, The Merger ... p. 65.

13. Interview with Professor William Young Madison, Wisconsin, 4 September 1978.

14. Interview with former UW President Fred Harvey Harrington, Madison, Wisconsin, 27 July 1978.

15. In March 1973 the author, then a member of the UW's central administration, conducted a rough survey of public service activities among system institutions. The results showed that gubernatorial task forces were either from Madison or UW Extension (Memo from Jacob Stampen to Donald Percy, "First approximation overview of UW-Madison participants in activity," March 20, 1973).

16. E. H. Kleinpell, In the Shadow: Reflections of a State College President, University of Wisconsin-River Falls Press 1975, pp. 16-23.

17. Rost, The Merger ... p. 64.

18. Merle Curti and Vernon Carstensen, The University of Wisconsin: A History 1848-1925. (University of Wisconsin, Madison, 1949), p. 266.

19. Rost, The Merger ... p. 70.

20. Ibid, p. 75.

21. Ibid, p. 72.

22. Ibid, p. 81.

23. Governor's Commission on Education, A Forward Look: Report of the Governor's Commission on Education, November 1970.

24. W. Lee Hansen and Burton A. Weisbrod, "The Distribution of Costs and Benefits of Public Higher Education: The Case of California," Journal of Human Resources, 4 (Spring 1969), pp. 171-191.

25. A Forward Look, p. viii.

26. Rost, The Merger ... p. 88.

27. See Joseph A. Pechman, "The Distributional Effects of Public Higher Education in California," Journal of Human Resources, 5 (Summer 1970) pp. 361-370. Ira Sharkasky, "Questionable Analyses Strategically Located in Economic Assessment and Policy Advocacy," Unpublished paper University of Wisconsin-Madison, 7 January 1970. Joseph W. McGuire, "The Distribution of Subsidy to Students in California Public Higher Education," Journal of Human Resources, XI 3 (1977), pp. 343-353.

28. David C. McClelland, "Love and Power, The Psychological Signals of War," Psychology Today, January 1975, pp. 45-48.

29. Martin Rein and Sheldon H. White, "Can Policy Research Help Policy?" The Public Interest, Number 49, Fall 1977, pp. 117-136. Samuel Halperin, "Federal Takeover, State Default, or a Family Problem" Phi Delta Kappa, June 1976. Halperin makes use of the carrot-and-stick analogy to explain changing relationships between federal and state governments in social issue areas.

30. Rost, The Merger ... p. 179.

31. Ibid, p. 184-195.

32. Patrick J. Lucey, Governor's Budget Message 1971-73 (Madison State of Wisconsin 25 February 1971).

32a. Rost, The Merger ... p. 73.

33. Ibid, p. 97.

34. Penniman, "UW System," p. 122.

VI. ISSUES AND PRIORITIES FOR THE UNIVERSITY OF WISCONSIN SYSTEM

1. Letter from Governor Patrick J. Lucey to President John C. Weaver, 13 June 1972.

2. Clara Penniman, "UW System," p. 123.

3. 1975-77 Biennial Operating Budget "Policy Papers," Book 1, University of Wisconsin System, September 1974.

4. Interview with Edward Muzik, Executive Director, The Association of University of Wisconsin Faculties, 21 September 1978.

5. Interviews and survey results as reported in Joe W. Laymon, "The Status of Collective Bargaining in Wisconsin Higher Education." Unpublished course paper, University of Wisconsin-Madison, 9 June 1978

6. T. Harry McKinney: *Section 1202 and Statewide Planning for Public Community and Junior Colleges: The New Reality Center for State and Regional Leadership*. Florida State University, June 1974.

7. *Faculty Memo*, 1 July 1975, 15 July 1977.

8. Ibid., 15 July 1976.

9. Coordinating Council for Higher Education, *Minutes*, 10 January 1958.

10. CCHE Minutes, March 26, 1959.

11. CCHE Minutes, July 21, 1961.

12. CCHE Report on Higher Education -- Budget Request and Governor's Recommendations (CCHE #11, 1967, p. 8).

13. CCHE Annual Report 1967-68, Appendix B. Status Report on the Implementation of Provisional Long-range Plan for Higher Education in Wisconsin, CCHE #84, July 1967.

14. Regents Minutes, April 11, 1969.

15. Jacob Stampen, "The University of Wisconsin Low Fee Experiment," *College Student Personnel* Abstracts Claremont Graduate School (Claremont, California: 1975).

16. Carnegie Council for Policy Studies in Higher Education, *Low or No Tuition: The Eligibility of a National Policy for the First Two Years of College*. (San Francisco: Jossey-Bass, 1975), p. 30.

17. University of Wisconsin System 1975-77, Biennial Operating Budget Policy Paper #4.0, September 1974.

18. Smith, *Coping*...

19. *Faculty Memo*, 1 November 1974.

20. *Blue Book*, 1966, pp. 450-451.

21. Interview with Robert DeZonia former Executive Director Wisconsin Association of Independent Colleges and Universities, Madison, Wisconsin, 25 July 1978.

22. Interview with Fred Harrington.

23. *Forward Look*.

24. Higher Education Aid Board Report, #90 October 1968.

25. For comprehensive discussions of federal student aid legislation in the 1970's, see Lawrence E. Gladieux and Thomas R. Wolanin, Congress and the Colleges, (Lexington, Massachusetts: Lexington Books, 1976) and Irene Spero, *Higher Education Amendments of 1972 A Comprehensive Analysis*, (Washington Office: State University of New York, September 1972).

26. State adoption of this view was constrained by the fact that federal grants were targeted on students from low-income families; thus, if tuitions were increased, compensating student aid would not extend very high on the family income scale. Furthermore, as is exemplified by the BEOG formula, that determines the size of student grants, grants received by students from low-income families would not increase in proportion to tuition increases. This was tested in Tennessee in 1974. In response to a suggestion by private college advocates that tuitions be increased by $100 at the University of Tennessee, UT demonstrated that the average BEOG recipient's grant only increased by $26. UT.

27. Report and Recommendations of the State Committee on the Wisconsin Guaranteed Higher Education Plan (WGHEP) to the 1973-75 Legislative Council. Committee Report #6. December 30, 1974.

28. National Task Force on Student Aid Problems. *Final Report*, 1975.

29. Higher Education Aids Board *Activity Report 1976-77 Academic Year*.

30. Sources of data: State of Wisconsin Higher Education Aids Board Activity Reports Academic years 1975-76 and 1976-77. Caution: the functions of the Tuition Grant and WHEG programs differ. WHEG seeks to equalize access in terms of total costs of attendance, whereas the Tuition Grant Program is focused on tuition alone; therefore, comparisons beyond the general illustration above cannot be made.

31. State of Wisconsin Higher Education Aids Board Report #79-1, 1979-81 Biennial Budget-Programmatic Budget Decision Issues.

32. *Blue Book*, 1966.

33. State of Wisconsin Higher Educational Aids Board Report, #79-1. 1979-81 Biennial Budget-Programmatic Budget Decision Issues, July 1978.

34. W. Lee Hansen and Suzanne Penney, "New Directions in State Loan Programs for Postsecondary Students, Student Loans: Problems and Policy Alternatives," edited by Lois Rice. New York: College Entrance Examination Board, 1977.

35. Chester E. Finn, "Federal Patronage of Universities in the United States: A Rose by Many Other Names." Brookings General Services Reprint. (Washington, D. C.: The Brookings Institution), 1977. Carol Van Alstyne, *An Economist Looks at Low Tuition*.

36. University of Wisconsin System Report of the 1979-81 "Biennial Budget Working Group on Holding Down Student Costs." August 1978.

37. One very small private college, the College of Racine, closed in 1975. It has not been listed in the annual Wisconsin Association of College Admissions Officers annual enrollment survey conducted by Marquette University since 1965.

38. State of Wisconsin *Blue Book*, 1975, pp. 410-411. Statutory reference Chapter 3, laws of 1969 and Chapter 333, laws of 1973.

39. Before merger, an informal association known as the Wisconsin Association of Higher Education served as a forum for interaction among public and private institutional heads; since merger this body has met infrequently.

40. 1975-77 University of Wisconsin System Biennial Operating Budget Policy Paper #2.0, September 1974.

41. University of Wisconsin System. "Prospect and Retrospect: A Sense of Direction" 1974.

42. University of Wisconsin System 1975-77 Biennial Operating Budgets Policy papers. September, 1974.

43. *Faculty Memo*, 1 November 1974.

44. Ibid., 2 December 1974.

45. Ibid., 3 February 1975.

46. Ibid., 17 February 1975

47. Ibid.

48. Ibid., 17 March 1975

49. Ibid., 16 May 1975.

50. Ibid., 15 July 1975.

51. Ibid., November 1975.

52. UW Central Administration Budget Office.

53. Governor Patrick J. Lucey, "Message to the Legislature: State of the State, 18 January 1977." Governor Patrick J. Lucey, "Executive Budget Message: 1977-79." January 25, 1977.

54. Governor Patrick J. Lucey, University of Wisconsin-Madison Mid-year Commencement, 16 December 1974.

VII. SUMMARY AND CONCLUSIONS

1. Daniel Elazar, "The Resurgence of the States," State Legislatures, January/February, 1978.

2. John P. Mallan, "The Role of State Legislatures in Appropriating Federal Funds to States." June 16, 1977 testimony before the U. S. Congress House Sub-committee on Intergovernmental Relations.

APPENDIX

APPENDIX A

The following data emerged after the first draft of this study was submitted to the Sloan Commission. The data generally supports the conclusions and the general narrative but adds detail. The source of the data is Steven Don Bennion, "The University of Wisconsin System and the Vocational Technical and Adult Education System: An Analysis of Four Policy Parameters in Inter-systems Cooperation." Unpublished Ph.D. dissertation University of Wisconsin-Madison 1977.

Tuition. Table 1 describes tuition increases by major student category since 1960-61. During this period tuitions nearly quadrupled for state-residents and non-residents alike.

Enrollments. During the first six years of the 1970's headcount enrollments at University of Wisconsin System institutions increased by about 11,000 students. By comparison headcount enrollments during the last four years of the 1960's increased by 37,000. On a Full-Time Equivalent (FTE) basis, UW-System enrollments increased by nearly 33,000 between 1966 and 1970, but only by 2,400 during the period between 1971 and 1977. Higher tuitions and fees may, together with other factors have contributed to reduced growth in enrollments during the 1970's.*

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* Bennion pp. 252 and 253.

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TABLE 1

SUMMARY OF UW SYSTEM TUITION CHARGES FOR SELECTED ACADEMIC YEARS: 1960-61 TO 1977-78[3]

Year	Undergraduate		Graduate	
	Resident	Non-resident	Resident	Non-resident
1960-61	$ 220[1]	$ 600.00[1]	$ --	$ --
1963-64	300	1,000.00	--	--
1966-67	325	1,050.00	325.00[2]	1,100.00[2]
1969-70	450	1,726.00	594.00	2,128.00
1972-73	526-558	1,633-1,906.00	588-652.00	2,093-2,376.00
1975-76	616-684	2,042-2,214.00	724-908.00	2,122-2,864.00
1976-77	646-706	2,264-2,435.80	766-971.80	2,316-2,999.80
1977-78[4]	697-748	2,429-2,698.00	848-1,052.00	2,546-3,286.00

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1. A generalized distinction between undergraduate tuition and graduate tuition was not implemented until 1966-67.

2. The figures from 1960-61 through 1969-70 represent the tuition levels charged in the former UW before merger.

3. Included in the figures in the 1970's are the segregated fees as well as academic fees-tuition. Segregated fees cover costs for student unions, health service, activities, etc., and are assessed to all students who register. In 1976-77 the segregated fee costs ranged from $97 per year at Madison to $176 per year at River Falls at four-year campuses and between $48 to $100 per year at the Centers.

4. Figures for the most recent three years do not include the UW Centers.

High School Graduates and Enrollments in the early 1980's.

Table 2 shows grade 12 enrollments during the period between 1975-76 and 1983-84.

TABLE 2

1975-76 WISCONSIN PUBLIC AND PRIVATE SCHOOL ENROLLMENTS BY GRADE

Grade	Enrollment	Year the Class Will Complete High School*
12	81,495	1975-76
11	90,572	1976-77
10	94,122	1977-78
9	95,429	1978-79
8	93,771	1979-80
7	91,301	1980-81
6	88,526	1981-82
5	83,759	1982-83
4	80,272	1983-84

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* The enrollment figures reflect only actual enrollment for 1975-76; the column on expected year of graduation from high school is included for perspective only. No attrition estimates have been built into the enrollments on the likely number of each year's group that will not graduate from high school.

The figures indicate that the size of high school graduating classes will decline about 16 percent between the peak year 1978-79 and 1983-84. Whether this contributes to declining enrollment within the UW-System depends on college participation rates among high school graduates and attendance rates among students over the traditional college age. In recent years the average age of UW-System students has been increasing. If college participation rates increase to past peaks among recent high school graduates and continue to increase among older students, enrollments could be stable or continue to increase during the early 1980's. The American Council on Education projects relatively stable enrollments for Wisconsin colleges until 1985.

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UW System Income by Source

Table 3 provides a record of UW-System income by source between 1968-69 and 1978-79. As is clearly evident most of the increase in State General Purpose Revenue occurred before the first merged system budget was passed in 1973-74. After that state appropriations increased at a rate slightly below the rate of inflation. Federal funds increased considerably faster than any other source of revenue during the period. Tuitions and fee income increased in two spurts, one in 1970-71 and the other in 1976-77. Other program and segregated revenues increased sharply during the late 1960's and early 1970's and then again in the late 1970's. By 1978-79 the combination of federal funds, tuition and fee revenues and other program revenues was greater than total state general purpose revenues as a source of support for UW System member institutions. Again the total dollar increases were greater during the period preceding the merger than the period which followed that event. Increase in the UW-System's total dollar income suggests that the System has been able to maintain itself with non-state funds. However, the flow of expenditures cannot be assumed to have been distributed evenly throughout the system and total non-state support has not been useful for supporting instruction among the UW-System institutions.

Finally, a page taken from the November 15, 1978 issue of UW Memo illustrates the impact of trends in state support for instructional programs in public higher education in the post-merger years.

Notes on Table 3

1. The components of the UW System operating budget have been expanded during this period, specifically the 1971-73 biennium which included for the first time principal repayment and interest on buildings and lease rentals. The principal repayment and interest and lease rental portions were incorporated into the operating budget in the 1971-73 biennium and accounted for 41.4% of the GPR increases in that year.

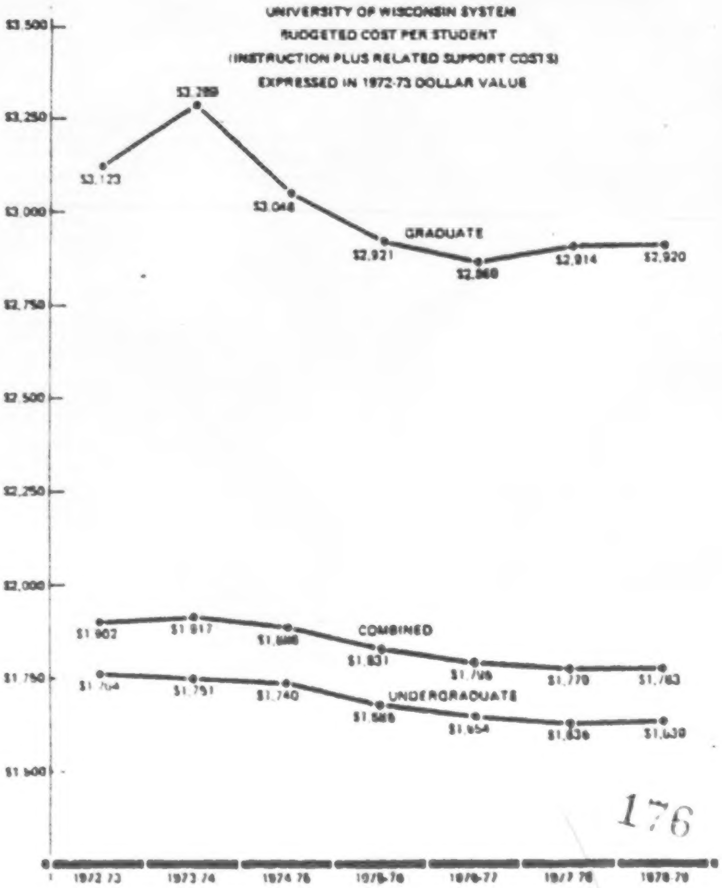
2. The UW System budget for the first three years outlined represents an amalgamation of the former UW-WSU budgets. For 1968-69 and 1970-71, there were two separate systems, and for 1972-73 they were separately identified in the budget bill.

3. The figures in the 1972-73 column represent a combination of the former UW figures taken from the 1971 Wisconsin Statutes, and the former WSU figures were taken from the 1971 Wisconsin Session Laws.

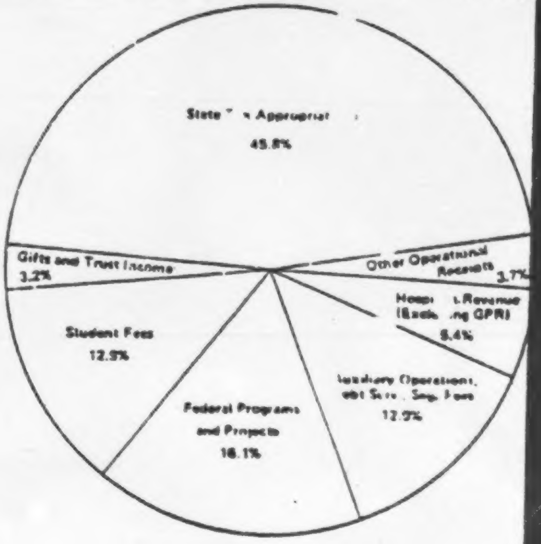
THE 1979-81 biennial budget request document, presented last week to the Board of Regents, contained the budget graphics reprinted on this page.

At right, the pie chart indicates sources of funds for the university system. State general purpose revenue accounts for only 46% of the total.

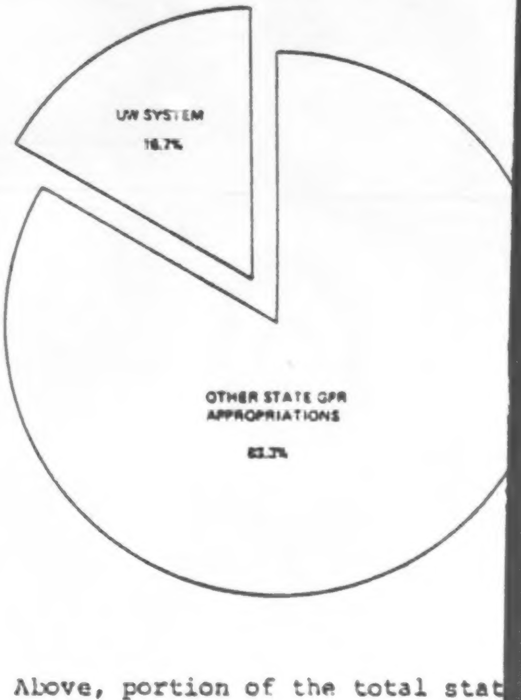
Below, real costs per student have dropped by over six per cent. The costs of graduate education have declined most, reflecting achievements in long range academic planning and attempts to protect undergraduate teaching. Unit costs of instruction have also gone done. The best indicator is the composite support index which corrects for shifts of enrollments between programs that vary in cost. The 1978-79 index, deflated, is 10 per cent lower than it was in 1972-73, dropping from $35.80 per weighted student credit hour to $32.22 this year.



SOURCES OF FUNDS 1978-79 BUDGET ALL FUN



STATE GPR APPROPRIATIONS
1978-79



Above, portion of the total stat appropriation for the university system. This figure has declin steadily since 1972-73 when the UW System accounted for 25.8 pe cent of the total appropriation.